Scotiabank Brasil S.A. Banco Múltiplo

Consolidated financial statements in IFRS
December 31, 2024 and 2023

(A free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB))

Content

Management Report	**3**
Independent Auditors' Report on the financial statements	**5**
Consolidated Statements of Financial Position	**9**
Consolidated Statements of Income	**11**
Consolidated Statements of Comprehensive Income	**12**
Consolidated Statements of Changes in Shareholders' Equity	**13**
Consolidated Statements of Cash Flows	**14**
Notes to the Consolidated Financial Statements	**15**

Management Report

Presentation

In compliance with Resolution 4818/2020, issued by the National Monetary Council (CMN), we present the consolidated financial statements of Scotiabank Brasil Financial Conglomerate ("Conglomerate"), consisting of Scotiabank Brasil S.A. Banco Múltiplo ("Bank") and its wholly-owned subsidiary Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários ("Brokerage Firm") for the years ended December 31, 2024 and 2023, together with explanatory notes and independent auditors' report in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), and translated into Portuguese by a Brazilian entity accredited by the *International Reporting Standards Foundation* (IFRS Foundation).

Performance for the year

The Conglomerate closed 2024 with a net income of R$319,623 thousand, against a net income of R$324,874 thousand reported in 2023.

The consolidated financial statements calculate the operational limits and the Basel capital requirement according to data from Scotiabank Brasil Conglomerate ("Conglomerate"), made up of the Bank, the Conglomerate's leader and the brokerage firm. The Conglomerate had a Basel capital ratio of 51.65% (25.08% in 2023) and minimum equity capital requirement for the amounts of risk-weighted assets (RWA) of R$399,489 thousand (R$952,960 thousand in 2023).

Risk management

The consolidated financial statements have a risk department independent from the business departments to manage and monitor the risks related to the activities performed.

The frameworks that rule the credit risk, operational risk, market risk, social and environmental risk and capital management activities of the consolidated financial statements, as well as information about risk management, the Capital Requirement and the adequacy of total capital, are available at the https://www.br.scotiabank.com/Regulamentos_e_Politicas.html address.

Corporate Governance – Audit Committee

The Committee is responsible for the quality and integrity of the financial statements of the consolidated financial statements, for compliance with legal and regulatory requirements, for the activities, independence and quality of the work of the internal audit and of the independent audit firm, and for the quality and effectiveness of internal control and risk management systems.

The Committee's assessments are based on the information provided by Management, the internal audit team, external auditors, those in charge of risk management and internal control, and on its own analyses deriving from direct observation.

Other information

In the year ended December 31, 2024, the Bank distributed dividends in the amount of R$309,620 thousand (R$1,000 thousand in 2023) and interest on equity capital in the amount of R$198,525 thousand (R$189,125 thousand in 2023), net of applicable taxes. In the same period, share capital increased by R$198,525 thousand (R$189,125 thousand in 2023), paid in using shareholder receivables from the distribution of interest on equity capital.

The fees paid to external auditors for audit and non-audit services are annually disclosed in the *Annual Report* of The Bank of Nova Scotia ("BNS").

Executive Board

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Independent Auditors' Report on the Consolidated Financial Statements

To
Shareholders and Management of
Scotiabank Brasil S.A. Banco Múltiplo
São Paulo – SP

Opinion

We have audited the consolidated financial statements of Scotiabank Brasil S.A. Banco Múltiplo (the "Bank"), which comprise the consolidated statements of financial position as of December 31, 2024, and the consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Scotiabank Brasil S.A. Banco Múltiplo as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International and Brazilian Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent from the Bank and its subsidiary in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics for Accountants and on the professional standards issued by the Regional Association of Accountants, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual company and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of the fair value of derivative financial instruments	
See notes 3.e and 5 to the consolidated financial statements.	
Key audit matter	**How the matter was addressed in our audit**
As disclosed in Notes 3.e and 5, derivative financial instruments totaled, as of December 31, 2024, the amount of R$405,007 thousand (assets) and R$4,223,603 thousand (liabilities), and are measured at fair value. The calculation of the fair value of these derivative financial instruments, such as Swaps, Non-Deliverable Forwards (NDFs), and Futures Contracts, are based on prices, rates, or information collected from independent sources, such as B3 S.A. – Brasil, Bolsa e Balcão, brokerage firms, the Central Bank of Brazil (BACEN), ANBIMA, among others. The market and credit risks associated with these instruments, as well as operational risks, are similar to those observed in other types of financial instruments. Due to the relevance of derivative financial instrument transactions and the results they generate, we considered this a key audit matter.	Our audit procedures in this area included, among others: – We evaluated the design of the key internal controls implemented by the Bank related to the approval, recording and updating of transactions for the measurement of the fair value of financial instruments; – We recalculated, based on a sample of the derivative financial instruments portfolio and with the technical support of our specialists in derivative financial instruments, the fair value of the financial instruments using observable market data, such as exchange rates, economic indices, and other rates disclosed by regulatory or market entities; – We performed sampling tests of the financial settlements of derivative financial instruments carried out during the period; – We assessed whether the disclosures in the financial statements are in accordance with the applicable accounting standards and include relevant information. According to the evidence obtained from the procedures summarised above, we considered the measurement and valuation of derivative financial instruments, as well as the related disclosures are acceptable in the context of the financial statements taken as a whole for the year ended December 31, 2024.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards, issued by the *International Accounting Standards Board* (IASB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank and its subsidiary or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's and its subsidiary's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and its subsidiary's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's and its subsidiary's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank and its subsidiary to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 28, 2025

KPMG Auditores Independentes Ltda.
CRC 2SP-027685/O-0 F SP

Original report in Portuguese signed by
Mark Suda Yamashita
CRC Counter SP-271754/O-9

Scotiabank Brasil S.A. Banco Múltiplo

Consolidated statements of financial position as of December 31, 2024 and 2023

(In thousands of reais)

Assets	Note	2024	2023
Cash and cash equivalents	4	**3,448,589**	**3,718,656**
Financial assets measured at fair value through profit or loss		**478,062**	**4,498,224**
Securities	5a	61,936	73,648
Derivative financial instruments	5b	416,126	4,424,576
Financial assets measured at fair value in OCI		**2,311,867**	**1,909,611**
Securities	6a	2,311,867	1,909,611
Financial assets measured at amortized cost		**7,009,580**	**6,151,590**
Interbank funds applied	7a	5,626,418	5,784,446
Securities	7b	-	74,020
Loans operations	7c	1,383,162	293,124
Other assets	10a	**167,374**	**242,162**
Deferred tax assets	15b	**481,456**	**506,395**
Investments		**-**	**6**
Property and equipment in use	11	**40,472**	**22,424**
Other property and equipment for use		31,506	20,934
Right-of-use		35,906	23,560
(Accumulated depreciation)		(26,940)	(22,070)
Intangible assets	12	**2,292**	**3,231**
Intangible assets		6,345	6,208
(Accumulated amortization)		(4,053)	(2,977)
Total assets		**13,939,692**	**17,052,299**

See the accompanying notes to the financial statements.

Scotiabank Brasil S.A. Banco Múltiplo

Consolidated statements of financial position as of December 31, 2024 and 2023

(In thousands of reais)

Liabilities	**Note**	**2024**	**2023**
Financial liabilities measured at fair value through profit or loss		**4,223,603**	**307,953**
Derivative financial instruments	5b	4,223,603	307,953
Financial liabilities measured at amortized cost		**5,193,071**	**12,390,441**
Deposits	7d	936,472	4,598,643
Money market borrowings	7e	1,010,012	886,740
Borrowings	7f	1,995,663	6,905,058
Onlendings	7g	1,250,924	-
Other liabilities	10b	**204,155**	**75,347**
Lease liabilities		**23,623**	**13,399**
Tax liabilities		**845,307**	**788,570**
Currents		135,286	26,371
Deferred	15b	710,021	762,199
Provisions for contingencies	13c	**30,639**	**29,089**
Shareholders' equity		**3,419,294**	**3,447,500**
Capital	14a	2,825,473	2,626,948
Profit reserves		602,305	821,905
Other comprehensive income		(3,422)	(247)
Non-ppropriated retained earnings		(5,062)	(1,106)
Total liabilities		**13,939,692**	**17,052,299**

See the accompanying notes to the financial statements.

Scotiabank Brasil S.A. Banco Múltiplo

Consolidated statements of income

Years ended December 31, 2024 and 2023

(In thousands of reais)

	Note	2024	2023
Net interest revenues	19	**739,325**	**437,636**
Interest revenues		1,217,758	1,339,914
Interest expense		(478,433)	(902,278)
Income (loss) from provision for expected losses associated with credit risk		**(32,547)**	**(23,143)**
Operating revenues		**(108,247)**	**151,180**
Net gains (losses) on financial assets and liabilities measured at fair value through profit or loss	5c	1,495,856	209,152
Net gains/(losses) on financial assets and liabilities measured at fair value in OCI	6b	191,848	(13)
Net gains/(losses) from operations in foreign currencies and exchange-rate variation	7h	(1,833,186)	(100,412)
Income from services and commissions	22	37,235	42,453
Gross profit		**598,531**	**565,673**
Operating expenses		**(211,545)**	**(157,915)**
Personnel expenses	20	(135,542)	(100,173)
Other administrative expenses	21	(38,906)	(35,574)
Tax expenses		(36,276)	(10,436)
Other operating revenues (expenses)		7,639	(4,419)
Reversals of/(expenses with) provision for contingencies		(1,551)	(1,866)
Depreciation and amortization		(6,909)	(5,447)
Non-operating income (loss)		**(212)**	**(249)**
Operating profit before taxes		**386,774**	**407,509**
Income tax and social contribution	15a	**(67,151)**	**(82,635)**
Provision for income tax		(21,334)	(180,488)
Provision for social contribution tax		(18,338)	(144,279)
Deferred tax assets		(27,479)	242,132
Net income for the years		**319,623**	**324,874**
Attributable to controlling shareholders		319,623	324,874
Weighted average number of shares		101,192	90,912
Basic and diluted earnings per share - R$		**3,158.58**	**3,573.49**

See the accompanying notes to the financial statements.

Scotiabank Brasil S.A. Banco Múltiplo

Consolidated statements of comprehensive income

Years ended December 31, 2024 and 2023

(In thousands of reais)

	2024	2023
Net income for the years	**319,623**	**324,874**
Items that are or may be reclassified subsequently to income or (loss)		
Financial assets measured at fair value in OCI	**(3,175)**	**14,776**
Securities	(5,721)	26,826
Tax impact	2,546	(12,050)
Total comprehensive income	**316,448**	**339,650**
Attributable to controlling shareholders	316,448	339,650

See the accompanying notes to the financial statements.

Scotiabank Brasil S.A. Banco Múltiplo

Consolidated statements of changes in shareholders' equity

Years ended December 31, 2024 and 2023

(In thousands of reais)

			Profit reserves				
	Capital	**Capital increase**	**Legal**	**Statutory**	**Other comprehensive income**	**Non-appropriated retained earnings**	**Total**
Balances as of December 31, 2022	**2,299,487**	**138,336**	**60,554**	**658,935**	**(15,023)**	**(64)**	**3,142,225**
Capital increase - Approved	138,336	(138,336)	-	-	-	-	-
Capital increase – Pending approval	-	189,125	-	-	-	-	189,125
Equity valuation adjustments	-	-	-	-	14,776	-	14,776
Net income for the year	-	-	-	-	-	324,874	324,874
Allocations:							
Legal reserve	-	-	16,296	-	-	(16,296)	-
Statutory reserves	-	-	-	87,120	-	(87,120)	-
Payment of interest on own capital	-	-	-	-	-	(222,500)	(222,500)
Payment of dividends	-	-	-	(1,000)	-	-	(1,000)
Balances as of December 31, 2023	**2,437,823**	**189,125**	**76,850**	**745,055**	**(247)**	**(1,106)**	**3,447,500**
Capital increase - Approved	189,125	(189,125)	-	-	-	-	-
Capital increase – Pending approval	-	198,525	-	-	-	-	198,525
Equity valuation adjustments	-	-	-	-	(3,175)	-	(3,175)
Net income for the year	-	-	-	-	-	319,623	319,623
Allocations:							
Legal reserve	-	-	16,179	-	-	(16,179)	-
Statutory reserves	-	-	-	73,841	-	(73,841)	-
Payment of interest on own capital	-	-	-	-	-	(233,559)	(233,559)
Payment of dividends	-	-	-	(309,620)	-	-	(309,620)
Balances as of December 31, 2024	**2,626,948**	**198,525**	**93,029**	**509,276**	**(3,422)**	**(5,062)**	**3,419,294**

See the accompanying notes to the financial statements.

Scotiabank Brasil S.A. Banco Múltiplo

Consolidated statement of cash flows

Years ended December 31, 2024 and 2023

(In thousands of reais)

	2024	2023
Net cash from operating activities		
Net income	**319,623**	**324,874**
Adjustments to net income	**109,943**	**115,048**
Expense of provision for expected losses associated with credit risk	32,547	23,143
Depreciation and amortization	6,909	5,447
Loss on the write-off of property, plant and equipment and intangible assets	170	362
Loss on write-off of investment	6	-
Income tax and social contribution	67,151	82,635
Expense on provision for contingent liabilities and legal obligations	1,551	1,866
Lease interest expense	1,609	1,595
Changes in assets and liabilities	**(339,406)**	**(333,139)**
(Increase)/Decrease in financial assets measured at fair value through profit or loss	4,020,161	(1,182,897)
(Increase) in financial assets measured at fair value through OCI	(408,094)	(497,426)
(Increase)/Decrease in financial assets measured at amortized cost	(890,362)	1,425,618
Decrease in other assets	111,057	625,891
Increase/(Decrease) in financial assets measured at fair value through profit or loss	3,915,651	(812,735)
Increase/(Decrease) in financial liabilities measured at amortized cost	(7,197,371)	391,015
Increase in other liabilities	128,750	(283,573)
(Decrease) in provisions for contingencies	(1)	(22)
Increase in tax obligations	17,072	1,417
Income tax and social contribution paid	(36,269)	(427)
Net cash from operating activities	**90,160**	**106,783**
Cash flows from investing activities		
Acquisition of property and equipment for use	(11,704)	(1,304)
Acquisition of intangible assets	(137)	(189)
Net cash (used in) investing activities	**(11,841)**	**(1,493)**
Cash flows from financing activities		
Capital increase	198,525	189,125
Payment of interest on equity capital	(233,559)	(222,500)
Payment of dividends	(309,620)	(1,000)
Lease payment	(3,732)	(3,685)
Net cash (used in) financing activities	**(348,386)**	**(38,060)**
Increase/(Decrease) in cash and cash equivalents	**(270,067)**	**67,230**
Cash and cash equivalents at beginning of year	3,718,656	3,651,426
Cash and cash equivalents at end of year	3,448,589	3,718,656
Increase/(Decrease) in cash and cash equivalents	**(270,067)**	**67,230**

See the accompanying notes to the financial statements.

Notes to the consolidated financial statements

(In thousands of reais)

1 Operations

Scotiabank Brasil S.A. Banco Múltiplo ("Bank"), located at Brigadeiro Faria Lima, 2.277 – 7º andar, São Paulo - Brazil, is organized and authorized to carry out its activities as a multiple bank and to operate through investment and commercial portfolios, including foreign exchange portfolios.

The Bank's shareholders are The Bank of Nova Scotia ("BNS") and BNS Investments Inc. (a wholly owned investee of BNS), both located in Canada.

2 Presentation of the consolidated financial statements

The consolidated financial statements were prepared in accordance with Resolution 4818/2020, issued by the National Monetary Council (CMN), which establishes that the financial institutions that are leaders of a prudential conglomerate classified into Segment 1 (S1), Segment 2 (S2) or Segment 3 (S3), according to specific regulations, must prepare consolidated annual financial statements in accordance with IFRS Accounting Standards and interpretations by the *International Financial Reporting Interpretations Committee* (IFRIC), as approved by the International Accounting Standards Board (IASB) and translated into Portuguese by a Brazilian firm accredited by the *International Financial Reporting Standards Foundation (IFRS Foundation).*

The authorization for issuance of these financial statements was given by the Executive Board on March 26, 2025.

(i) Use of assumptions, estimates and judgments

The results of the Bank and its subsidiary are subject to the accounting estimates, policies and assumptions inherent in the preparation of its consolidated financial statements.

The preparation of the consolidated financial statements in conformity with IFRS requires management's judgments, estimates and assumptions that affect the application of accounting policies and the amounts presented as assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in all subsequent periods affected.

The critical judgments and assumptions that affect the application of accounting policies have the most significant effect on the amounts recognized in the consolidated financial statements are:

a. *Provision for expected credit loss (ECL) on financial assets*

IFRS 9 impairment requirements require an expected credit loss model considering assumptions such as:

Determining criteria for a significant increase or decrease in credit risk: by tracking credit risk indicators, continuously monitoring the financial situation of counterparties and obtaining information to the public, it is possible to determine whether there has been a significant increase or decrease in credit risk.

Term: the maximum contract term is considered as the time of exposure to credit risk when there is a defined maturity date, otherwise the expected life of the financial asset is estimated according to the period of exposure to credit risk.

Forward-looking information: use of *forward-looking* information, such as macroeconomic expectations, to reflect the impacts of future events on the expected loss.

Probability-weighted loss scenarios: use of unbiased and weighted macroeconomic scenarios to estimate the expected loss within an appropriate time frame.

Note 9b details the changes in the ECL allowance for the year.

b. *Measurement of the fair value of financial instruments*

Specific techniques are applied to determine the fair value of financial instruments that are not traded in active markets and for which market prices and parameters are not available. This calculation incorporates assumptions under management's judgment, which takes into consideration an evaluation of market information and circumstances.

c. *Deferred tax assets and liabilities*

Deferred tax assets are recognized when it is probable that future taxable profits will be offset against deductible temporary differences. The recognition of a deferred tax asset depends on management's judgments regarding the likelihood and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and tax planning strategies.

The amount of deferred tax assets recognized is based on evidence available about conditions at the reporting date and requires Management to make significant judgments, particularly those based on Management's estimates of business growth and credit losses. Management's judgment takes into account the impact of negative and positive evidence, including past financial results and projections of future taxable profit.

Deferred tax liabilities consist of tax liabilities and are recognized when they are reported. Note 15b sets out more detailed information about deferred taxes.

d. *Provisions for legal proceedings*

Provisions are liabilities generated in the past and have an uncertain amount or deadline. They are recognized in the consolidated financial statements when the risk of losses is considered probable, with a probable outflow of funds for the settlement of the obligations and when the amounts involved may be estimated reliably.

A contingent liability is a possible obligation generated by past events that will be confirmed only by the occurrence or not of one or more uncertain future events that cannot be fully controlled by Management, or a present obligation of past events that has not been recognized because it is not probable that an outflow of resources embodying the economic benefits required to settle the obligation is not probable. or the amount of that obligation cannot be measured reliably. Therefore, a provision is not recognized in these consolidated financial statements, but only disclosed.

The realization of contingent assets will be confirmed by the occurrence or not of one or more future uncertain events that cannot be fully controlled by management. They are not recognized in the consolidated financial statements, except when a final decision is rendered at the final court.

(ii) Reconciliation between balances presented in BACENGAAP and IFRS

The reconciliation between the balances presented in accordance with Brazilian accounting policies applicable to institutions authorized to operate by BACENGAAP and the IFRS Accounting Standards, of Shareholder's Equity and Net Income for the years ended December 31, 2024 and 2023:

	Note	2024	2023
Profit for the year in accordance with accounting policies applicable to institutions authorized to operate by the Central Bank of Brazil		**323,579**	**325,916**
IFRS Settings		**(3,956)**	**(1,042)**
Net gains (losses) from operations in foreign currencies and exchange-rate variation	(a)	25,129	55,470
(Loss) from provision for expected losses associated with credit risk	(b)	(30,816)	(57,450)
Reversal of provision for contingencies		139	168
Other administrative expenses		(1,069)	95
Other non-operating income		(713)	(105)
Income tax and social contribution	(c)	3,374	780
Net income for the year according to IFRS		**319,623**	**324,874**

	Note	2024	2023
Shareholders' equity according to the accounting policies adopted in Brazil		**3,423,901**	**3,448,543**
IFRS adjustments from prior years		**(1,043)**	**(64)**
IFRS adjustments for current years		**(3,564)**	**(979)**
Retained earnings		(7,329)	(1,822)
Equity valuation adjustment		392	105
Deferred income tax and social contribution	(c)	3,373	738
Shareholders' equity according to IFRS		**3,419,294**	**3,447,500**

a. Conversion of operations in foreign currencies and exchange-rate variation

Adjustments for the difference between the PTAX exchange rate, provided by the Central Bank of Brazil, and the closing SPOT exchange rate.

b. Allowance for impairment loss on loans

Adjustments for differences between the concept of incurred loss established by the Central Bank of Brazil and the concept of expected loss contained in IFRS accounting standards (IFRS 9).

c. _Deferred income tax and social contribution_

Consists of the recognition of deferred taxes related to adjustments made for convergence to international standards.

3 Material accounting policies

The accounting policies listed below were applied in all periods presented in the consolidated financial statements and have been applied consistently by the Bank and its subsidiary.

a. Basis of consolidation and measurement

According to IFRS 10 - Consolidated Financial Statements, subsidiaries are all entities in which Scotiabank Brasil S.A. Banco Múltiplo has control.

The consolidated financial statements comprise the consolidated accounts of Scotiabank Brasil S.A. Corretora de Títulos e Valores Mobiliários (Subsidiary), located in Brazil, over which the conglomerate's leading institution, the Bank, holds direct control of 100% in 2024 (100% in 2023).

Intra-group balances and transactions, including any unrealized gains and losses arising from inter-company transactions, are eliminated in consolidation.

The consolidated financial statements have been prepared on the amortized cost basis, except for financial assets measured at fair value through profit or loss and other comprehensive income, derivative financial instruments (assets and liabilities) measured at fair value through profit or loss.

b. Functional and presentation currency

These consolidated financial statements are presented in Brazilian reais, which is the functional and presentation currency of Scotiabank Brasil S.A. Banco Múltiplo and its subsidiary. Except when otherwise indicated, information is expressed in thousands of Reais (R$(000)) and rounded to the nearest thousand.

c. Foreign currency transactions and balances

Transactions in foreign currencies are initially recognized at the functional currency exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in or settled in a foreign currency are translated using the exchange rate of the functional currency in effect at the reporting date. All translation differences are recognized in profit or loss on the accrual basis.

d. Cash and cash equivalents

Cash and cash equivalents comprise cash balances in local currency, foreign currency, reverse sale-and-repurchase agreements and interbank funds applied, except restricted-use funds, with maturities of three months at most from the effective date of investment and pose an insignificant risk of changes in fair value.

e. Financial instruments

(i) Initial recognition

Assets and liabilities are recognized on the trade date, which is the date that the Bank and its subsidiary become a party to the contractual provisions of the instrument. Initial recognition is made at fair value plus transaction costs directly attributable to its issue or acquisition, except when assets and liabilities are measured at fair value through profit or loss, in which case transaction costs are not included, or when the instrument is a receivable that is initially measured at transaction amount, as set forth by *IFRS 15 - Revenue from Contracts with Customers*.

(ii) Classification and subsequent measurement of financial assets

Financial instruments are classified according to the contractual characteristics of cash flows and the business model under which assets are managed by the Bank.

The **business model** reflects how the Bank manages its financial assets to generate cash flows. Management's assessment considers, among others, the following factors: (i) how the performance of the business model and financial assets are reported to key management personnel; (ii) the risks that affect its performance and the way these risks are managed; and; (iii) how business managers are compensated. Therefore, management determines whether the cash flows from financial assets result from the receipt of contractual cash flows, sale of financial assets, or both.

When analyzing contractual cash flows, management performs the **SPPI (*Solely Payment of Principal and Interest*)** test, which consists only of payments of principal and interest. If contractual terms expose the Bank to cash flow risks or volatility, then the financial instrument is measured at fair value through profit or loss.

Amortized cost: financial assets measured in this category have cash flows with contractual characteristics only of payments of principal and interest and a business model whose objective is to obtain contractual cash flows. They are recognized at amortized cost using the effective interest rate and finance charges are recognized on the accrual basis in profit or loss for the period as interest income.

Effective interest rate: is the rate that discounts payments or receipts from estimated future cash flows over the expected life of the financial asset or liability. In making the calculation, the cash flow estimate considers all contractual terms of the financial instrument and includes commissions, transaction costs and discounts or premiums that are an integral part of the effective interest rate.

Fair value through profit or loss: financial assets are measured in this category when the characteristics of the contractual cash flows do not represent solely payments of principal and interest, when management keeps them in a business model whose objective is to sell them. They are recognized initially at fair value and earnings are recognized as operating income. In the subsequent measurement, realized and unrealized gains and losses arising from changes in fair value are recognized in profit or loss for the period on the accrual basis.

Fair value in other comprehensive income: financial assets are measured in this category when their cash flows have the contractual characteristics only of payments of principal and interest and are held by management in a business model whose objective is both to obtain contractual cash flows and to sell. They are recognized initially at fair value plus directly attributable transaction costs. On subsequent measurement changes in fair value are recognized in equity as other comprehensive income, net of tax effects. Interest income is recognized in profit or loss on the accrual basis. On the disposal of the investment, the cumulative gain or loss previously recognized in equity is recognized in profit or loss for the period.

Financial instruments considered as hedge against market risk are intended to offset the risks arising from exposure to the fluctuation in the market value of the *hedged* item . Their valuation or devaluation is accounted for as an offsetting entry to revenue or expense accounts in profit or loss. On initial designation of the *derivative as a hedging* instrument, the Bank formally documents the relationship between the *hedging* instrument and hedged item, including the risk management objectives and strategy in undertaking the *hedge* transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the *hedging* relationship, considering conventional calculation methods. The Bank makes an assessment, both at the inception of the *hedge relationship* as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective *hedged* items attributable to the *hedged* risk , and whether the actual results of each *hedge* are within the 80% and 125% range.

(iii) Fair value of financial instruments, including derivative financial instruments

Fair value is the price that would be received for the sale of an asset or the transfer of a liability in an orderly transaction under current main market conditions at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique.

The financial instruments of the Bank and its subsidiary basically consist of debt instruments, government bonds, loans to clients and derivative financial instruments. Accordingly, if there is no quoted price in an active market and it is not possible to identify transactions with a similar financial instrument, the fair value of financial instruments is measured according to valuation methodologies widely used in the market, such as the present value method obtained from the discounted cash flow (for *swaps*, futures and forward contracts), under this method, future cash flows are projected according to the instruments' profitability indexes and are discounted to present value considering the terms and discount curves.

The primary sources used for each class of financial assets are: Anbima/BACEN (government bonds) and B3 (private bonds and derivative financial instruments).

The Bank has investments in closed company shares arising from the demutualization of the Interbank Payment Chamber (CIP), which are classified into level three of the fair value hierarchy, as mentioned in note eight.

CIP S.A. is a corporation that did not carry out its own activities and did not have liabilities or obligations of any nature. It is a for-profit legal entity that took over the spun-off portion of CIP

Association. The purpose of the partial spin-off was to demutualize the CIP Association, so that its economic activities would no longer be carried out through an associative legal structure, but would be developed by CIP S.A., as a corporation.

The assumption used to determine fair value was the valuation report prepared by an expert company, considering the social equity value of CIP Associação calculated according to the financial statements as of December 31, 2023.

(iv) Hierarchy of the fair value of financial instruments

In order to increase the consistency and comparability of fair value measurements and related disclosures, a fair value hierarchy has been established that classifies the information (*inputs*) applied to the valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

Fair value is determined according to the following hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level two - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

Level three - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(v) Classification and measurement of financial liabilities

Financial liabilities are initially recognized at fair value, which is the net amount of directly attributable costs incurred and subsequently measured at amortized cost, except for derivative financial instruments, which are irrevocably measured at fair value through profit or loss.

(vi) Modification and derecognition of financial assets and liabilities

If the cash flows of a financial asset are renegotiated without a significant change in its terms and conditions, neither the Bank nor its subsidiary write off the asset. However, the gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows, discounted using the original effective interest rate, and the effects of such change are recognized in profit or loss for the period. When renegotiation or modification substantially changes the terms and conditions of the financial asset, entities derecognize the original asset and recognize a new one. The renegotiation date is considered for initial recognition.

A substantial change in the terms of a financial liability is accounted for as the termination of the original financial liability and a new one is recognized.

A substantial modification of contractual terms occurs when the present value of discounting cash flows under the new terms, including any fees paid/received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the financial liability.

Financial assets are derecognized when:

The contractual rights to the cash flows from the asset expire; or

It transfers the rights to receive the contractual cash flows in a transaction where:

(i) substantially all the risks and rewards of ownership of the financial asset are transferred; or

(ii) The entity neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the financial asset.

Financial liabilities are written off when the obligation set forth in the agreement is terminated, canceled or falls due.

(vii) Offsetting of financial assets and liabilities

Financial assets and liabilities must be offset and the net amount reported in the balance sheet only if there is a current legal and enforceable right to settle the amount at its net balance and if the asset and liability are intended to be settled simultaneously.

(viii) Impairment of financial assets

The Bank and its subsidiary apply the three-stage approach to measure credit losses, using the concept of expected credit loss as required by IFRS 9 - *Financial Instruments*, for the following categories of assets not measured at fair value through profit or loss:

Financial assets measured at amortized cost;

Debt instruments classified at fair value through OCI;

Credit commitments recognized in memorandum accounts; and

Warranty agreements.

Expected credit loss model

The model adopted for calculating impairment loss on financial assets is based on the concept of expected credit loss. In this sense, all transactions are expected to lose from the moment they originate and are tracked as the credit risk situation changes.

Impairment loss is calculated using statistical models considering the following factors:

PD – _Probability of_ default : is the probability that the instrument will not be honored by the counterparty within the observed time frame.

LGD – _Loss Given Default_ : is an estimate based on the history of reported losses weighted by the respective portfolio rates. The credit risk is the ratio of the amount not recovered by the creditor to the amount exposed to risk, taking into account the guarantees associated with the loans.

EAD – *Exposure at Default* : is an estimate of the exposure on the future date of default, taking into account the expected changes in exposure after the reporting date of the consolidated financial statements, including payments of principal and interest, use of limits and interest calculated on unrealized payments.

The valuation of financial assets is performed in three stages:

Stage 1 – Normal course transactions: assets classified into this stage are considered normal transactions, overdue for less than or equal to 30 days, and do not incur significant credit risk. In this case, the expected loss is calculated for the next 12 months.

Stage 2 – Transactions with a significant increase in credit risk: the assets classified into this stage have been overdue for more than 30 days, or have shown a significant increase in credit risk. Renegotiated credits are also included. In this case, the expected loss is calculated until the end of the asset's life.

Stage 3 – Problematic transactions: assets that fall into this stage are financial instruments that have become credit-impaired and are in default either quantitatively (assessed according to days in arrears - 90 days) or qualitatively, characterized by signs that the customer will not fully honor the loan. In this case, the expected loss is calculated until the end of the asset's life.

The classification of assets into stages is reviewed periodically considering risk assessment processes to capture possible changes in the client's financial capacity, as well as prospective economic scenarios. Transfers may be made between stages when the analysis shows an improvement or worsening of the credit risk of the transaction.

Forward looking

The expected credit loss estimate for each stage and the assessment of significant risk enhancement considers information about past events and current conditions, as well as predictions of reasonable and sustainable future events and economic conditions. Such estimates may require significant judgment.

Macroeconomic factors

In its model, the Bank relies on a *range* of external information for inputs, such as: GDP growth, unemployment rate, benchmark interest rate and market prices. The inputs and models used to calculate ECLs may not always capture all market characteristics at the date of the consolidated financial statements.

Significant increase in credit risk

At each reporting period the Bank and its subsidiary assess whether there has been a significant increase in credit risk for exposure since initial recognition, comparing the risk of *default* occurring from the initial recognition date to the reporting date until the asset's final life. The valuation considers quantitative and qualitative information about the borrower, without considering guarantees and forward-looking information about economic factors.

Common assessments of significant risk increases include macroeconomic outlooks, management's judgment, monitoring and delayed transactions. The importance and relevance of each macroeconomic factor depends on the type of product, the characteristics of the financial instrument and of the borrower and the geographical region. Quantitative models are not always able to capture all the reasonable and sustainable information that may indicate a significant increase in risk. Qualitative factors may be evaluated to complement the analysis. With respect to monitoring and overdue transactions, there is a refutable presumption that there has been a significant increase in credit risk since initial recognition for financial instruments overdue for more than 30 days.

Definition of *default*
The Bank considers as default a financial instrument that has one or more loss events that occurred after initial recognition and these events have a negative impact on the estimated future cash flows of the instrument, provided that this impact can be estimated reliably.

Financial assets that have defaulted and are overdue for more than 90 days are considered to be problematic assets.

Write-off to loss
The Bank writes off a problematic financial asset (and the related expected credit loss allowance), partially or totally, when there is no realistic prospect of recovery of the loan. In the case of secured financial assets, the *write-off* is made after the collateral is provided. When the net realizable value of the guarantee has been determined and no further recovery is expected, the *write-off* can be performed earlier. In subsequent periods, recoveries of assets written off as loss are credited as "Other operating revenues" in the consolidated statements of income.

f. Net income (loss) from services and commissions
The Bank and its subsidiary earn service revenues and commissions from the various types of services they provide to their clients. Fees earned from services are accrued over the same period during which services are rendered. Revenue from contracts with customers is recognized in accordance with the principles described in IFRS 15 at the amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue recognition occurs according to the following steps:

- Identifying the contract and performance obligations;
- Determining the transaction price;
- Allocation of the transaction price; and
- Revenue recognition.

Expenses on services and commissions paid are recognized over the period in which services are rendered.

If there is an associated financial instrument and the income or expenses arising from fees and commissions which are considered as part of the effective interest rate, they are no longer recognized under IFRS 15 and start to be recognized considering the IFRS 9 precepts, in a deferred manner in profit or loss over the flow and term of the financial instrument.

g. Non-financial assets

Property and equipment in use consist of assets and rights whose subject matter are tangible assets aimed at the maintenance of the Bank's activities or exercised to that end. New property and equipment are recognized at cost. Depreciation of fixed assets is calculated and recorded according to the straight line method at rates that take into consideration the useful lives of the assets.

Item	Estimated service life
Furniture, equipment and facilities	10 years
IT equipment	5 years
Leasehold improvements	10 years
Right-of-use	5 years

Intangible assets are vested rights to assets lacking physical substance for the maintenance of the Bank's activities or exercised to that end. New intangible assets are recognized at cost. Intangible assets with defined useful lives are amortized on a straight-line basis in profit or loss over the estimated period of the economic benefit.

Item	Estimated service life
Software	5 years

Investments are stated at acquisition cost, less impairment loss, when applicable.

h. Impairment of non-financial assets

Non-financial assets, such as property, plant and equipment and intangible assets, are tested for impairment, at least annually, whenever there are signs of loss. When the carrying amount of an asset exceeds its recoverable amount, the loss is recognized directly in profit or loss.

As of December 31, 2024 and 2023, no impairment losses were reported.

i. Leases

The Bank mainly acquires immovable property (underlying assets) to carry out its business activities. The initial recognition occurs at the signature of the agreement as Other Liabilities, which corresponds to the present value of total future payments against the Right-of-Use Asset, depreciated on a straight-line basis over the lease term and tested annually for possible impairment losses. Finance costs related to interest on the lease liability are recognized as Other operating income/expenses in the consolidated statements of profit or loss.

j. Income tax and social contribution

The provision for income tax is calculated at the rate of 15% on taxable income, plus a 10% surtax on taxable income exceeding R$240 for income tax. The social contribution tax is calculated at the rate of 20% on taxable profit.

The current rate for social contribution tax is 20%.

As of December 31, 2024, the Bank has deferred income and social contribution tax credit assets arising from temporary differences, income and social contribution tax losses.

Tax credits that are expected to be realized in future periods were recognized at the rate of 25% for income tax and 20% for social contribution tax.

In compliance with prevailing rules, the historical taxable profit and short- and medium-term projections prepared by the Bank allow a reasonable estimate of the term for the realization of these assets (note 15c).

In accordance with *IAS 12 - Income Taxes* , for presentation purposes, the Bank and its subsidiary offset current taxes which are related to income taxes, assessed by the same tax authority and with the same realization/payment period, for which there is a legal right to offset.

k. PIS and COFINS

PIS is calculated at the rate of 0.65% and COFINS at the rate of 4%, pursuant to prevailing legislation.

l. Contingent assets and liabilities

Contingent assets are not recognized in the consolidated financial statements, except when evidence of their realization is available and may not be appealed.

Lawsuits are classified as probable, possible or remote loss, and a provision is accrued for those whose unfavorable outcome is considered probable, according to an estimate of the amount of unfavorable outcome, taking into consideration the opinion of our legal counselors, the nature of lawsuits and the courts' position for similar cases. The proceedings whose unfavorable outcome is considered possible are only disclosed and those whose unfavorable outcome is considered remote do not require accrual or disclosure.

m. Share-based payments

Qualified employees of the Bank participate in stock-based compensation plans, which are evaluated based on the price of the common share of BNS.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the *vesting date*.

The fair value of the amount payable to employees in respect of share appreciation rights (SARs), which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognized in profit or loss as personnel expenses.

n. Post-employment employee benefits

Employee benefits, consisting of short-term benefits granted to current employees, are recognized on the accrual basis and are expensed as the related service is provided.

Post-employment or long-term benefit plans are formal or informal arrangements whereby the Bank undertakes to provide post-employment benefits to one or more employees, according to prevailing rules.

Defined contribution plans are post-employment benefits whereby the Bank, as sponsor, pays fixed contributions into a separate entity (fund), and has no legal or constructive obligation to pay additional contributions if the fund does not have sufficient assets to honor all benefits related to its services in the current and prior periods. Contributions made to that end are recognized as personnel expenses in the statement of income.

o. Results of operations

Income and expenses are recorded on the accrual basis.

p. Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit attributable to the controlling shareholders by the weighted average number of common shares.

q. Non-appropriated retained earnings

The balance in this account includes the effects of differences between accounting policies applicable to financial institutions in Brazil and international accounting standards. Profit reported in accordance with Brazilian accounting policies is fully allocated as dividends, interest on equity capital and the setup of revenue reserves.

r. Standards recently issued and applicable in future periods

We present below a summary of the new standards, changes and significant interpretations that have been issued by IASB with an impact on future periods:

- **IFRS 18 – Presentation and Disclosure of Financial Statements:** IFRS 18 replaces IAS 1 - Presentation of Financial Statements, and introduces new subtotals in profit or loss, segregating revenues and expenses into three categories (operating, investment and financing). This standard becomes effective on January 1, 2027.
- **IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments (Disclosure):** The main changes in these standards are mainly related to the recognition and derecognition of financial instruments and the classification and measurement of financial instruments. Another significant change is related to the disclosure of information about equity instruments designated as at fair value in other comprehensive income. The changes are effective January 1, 2026.

4 Cash and cash equivalents

	2024	2023
Cash equivalents	**59,378**	**32,568**
Local currency	3,715	3,253
Foreign currency	55,663	29,315
Interbank investments	**3,389,211**	**3,686,088**
Money Market repurchase commitments (i)	3,205,970	3,435,197
Interbank deposits	183,241	250,891
Total	**3,448,589**	**3,718,656**

(i) Refers mainly to repurchase and resale agreements with Bacen.

5 Financial assets and liabilities measured at fair value through profit or loss

a. Securities

Breakdown by type and maturity

	2024				2023	
	Without maturity	Over 12 months	Fair value/Book value	Adjusted cost	Fair value/Book value	Adjusted cost
Own portfolio						
LTN	-	-	-	-	10,326	10,328
NTN	-	1,607	1,607	1,796	1,770	1,811
Shares of privately held companies (i)	6,855	-	6,855	7,568	7,568	7,568
Investment fund shares	53,474	-	53,474	53,473	53,984	53,984
Total	**60,329**	**1,607**	**61,936**	**62,837**	**73,648**	**73,691**

(i) Corporate reorganization of the Interbank Payments Chamber (CIP).

Federal government bonds are held in custody at the Sistema Especial de Liquidação e Custódia (SELIC) and investment fund shares are held in custody at B3 S.A. - Brasil, Bolsa, Balcão.

b. Derivative financial instruments

The Bank participates in operations involving derivative financial instruments, whose purpose is to meet own needs and clients' needs. The purpose of these operations is to manage exposures to market risks, which are associated to potential losses resulting from variations in prices of financial assets, interest rates, currencies and indexes. The policy of operation, control, establishment of strategies of operations, as well as the limit of these positions, follows the Bank's management guidelines.

The tables below show the notional values adjusted to market prices, the related receivable and payable adjustments and the net exposures in the balance sheets for derivative financial instruments:

(i) Futures contracts

	2024		2023	
	Market value		Market value	
	Notional	Receivable/(payable) adjustments	Notional	Receivable/(payable) adjustments
Long position	**39,937,004**	**(91,474)**	**40,386,548**	**157,933**
DI	4,064,636	(182)	1,493,189	(267)
DDI	35,477,609	(90,588)	38,893,359	158,200
USD	394,759	(704)	-	-
Short position	**1,957,150**	**4,111**	**1,861,615**	**(4,729)**
DI	138,683	167	311,849	278
DDI	1,337,996	2,537	1,004,860	(3,253)
USD	480,471	1,407	544,906	(1,754)

(ii) Swap and forward transactions

	2024			2023		
By index	**Notional**	**Cost value**	**Fair value**	**Notional**	**Cost value**	**Fair value**
Swap						
Amounts receivable	**3,223,283**	**399**	**76,319**	**32,222,291**	**3,104,087**	**4,422,708**
CDI x USD	2,813,545	-	74,296	31,978,791	3,100,159	4,419,280
Fixed rate x USD	-	-	-	243,500	3,928	3,428
USD x CDI	5,878	372	369	-	-	-
CDI x CDI	403,860	27	1,654	-	-	-
Amounts payable	**30,626,960**	**(5,479,202)**	**(4,220,609)**	**3,439,588**	**(343,977)**	**(229,704)**
CDI x USD	30,204,954	(5,413,156)	(4,147,085)	3,352,235	(343,463)	(229,413)
Fixed rate x USD	243,500	(64,931)	(72,370)	-	-	-
USD x CDI	178,506	(1,115)	(1,154)	87,353	(514)	(291)
Forward contracts - NDF						
Amounts receivable	**3,481,536**	**326,268**	**328,688**	**148,347**	**349**	**796**
Long position - USD	3,481,536	326,268	328,688	141,343	225	692
Short position - USD	-	-	-	7,004	124	104
Amounts payable	**413,871**	**(2,535)**	**(2,994)**	**2,213,587**	**(80,698)**	**(78,244)**
Long position - USD	285,891	-	(569)	2,208,725	(80,698)	(78,213)
Short position - USD	127,980	(2,535)	(2,425)	4,862	-	(31)
Foreign exchange transactions						
Amounts receivable	**608,311**	**11,171**	**11,119**	**634**	**-**	**1,072**
Long position - USD	608,311	11,171	11,119	107	-	1,070
Long position - EUR				527	-	2
Amounts payable	**-**	**-**	**-**	**2,561**	**(3)**	**(5)**
Short position - USD	-	-	-	2,470	(2)	(4)
Short position - EUR				91	(1)	(1)
Total	**38,353,961**	**(5,143,899)**	**(3,807,477)**	**38,027,008**	**2,679,758**	**4,116,623**

(iii) Breakdown by maturity

The table below shows the notional amounts recognized in memorandum accounts and their related maturity dates:

	2024					2023
	Within 3 months	**3 to 6 months**	**6 to 12 months**	**Over 12 months**	**Total**	**Total**
Futures contracts (i)	6,284,577	4,791,355	7,946,076	22,872,146	41,894,154	42,248,163
Swap (ii)	4,177,856	1,975,928	7,966,094	19,730,365	33,850,243	35,661,879
Forward contracts - NDF (ii)	2,265,321	1,023,780	572,379	33,927	3,895,407	2,361,934
Foreign exchange transactions (ii)	608,311	-	-	-	608,311	3,195
Total	**13,336,065**	**7,791,063**	**16,484,549**	**42,636,438**	**80,248,115**	**80,275,171**

(i) Counterparty: B3 S.A. - Brazil, Stock Exchange, Balcão.
(ii) Counterparty: legal entity.

(iv) Segregation between current and non-current

The fair value of financial instruments was segregated as follows:

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Assets						
Swap	2,023	74,296	76,319	576,683	3,846,025	4,422,708
Forward contracts - NDF	328,690	(2)	328,688	719	77	796
Foreign exchange transactions	11,119	-	11,119	1,072	-	1,072
Total	**341,832**	**74,294**	**416,126**	**578,474**	**3,846,102**	**4,424,576**
Liability						
Swap	(2,647,521)	(1,573,088)	(4,220,609)	(140,642)	(89,062)	(229,704)
Forward contracts - NDF	(2,874)	(120)	(2,994)	(72,486)	(5,758)	(78,244)
Foreign exchange transactions	-	-	-	(5)	-	(5)
Total	**(2,650,395)**	**(1,573,208)**	**(4,223,603)**	**(213,133)**	**(94,820)**	**(307,953)**

(v) Hedge Accounting

The table below shows the amounts of the contracts designated as hedging instruments and of the hedged item:

	2024			2023	
	Hedging Instruments	**Hedged item**		**Hedging Instruments**	**Hedged item**
Market risk *hedging* strategy	**Market value**	**Market value**	**Cost value**	**Market value**	**Market value**
Hedge of foreign borrowings	1,884,378	1,864,415	1,897,480	-	-
Total	**1,884,378**	**1,864,415**	**1,897,480**	**-**	**-**

The effectiveness determined for the hedging portfolio is in accordance with international accounting standards.

The Bank applies market risk hedges to hedge against the risk of exchange rate exposure to payments of principal and fixed foreign exchange interest on funds raised abroad.

The transaction structure consists of a combination of DDI futures contracts used as derivative hedging instruments and foreign loan obligations raised (note 7f) in US currency and maturing by October 2027, designated as the hedged item for market risk.

The market value of foreign funding, which is the hedged item, takes into consideration the characteristics of the transaction with respect to interest rates and their maturity to determine the future value of cash flows, which will be discounted to present value at market rates, calculated according to the prices traded on BM&FBovespa.

c. Results

Results from financial instruments measured at fair value in the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Derivative financial instruments	**1,493,772**	**204,682**
Futures	7,033,033	(5,857,149)
Swap	(6,256,047)	6,212,073
Forward contracts - NDF	695,024	(211,735)
Foreign exchange transactions	21,762	61,493
Securities	**2,084**	**4,470**
Total	**1,495,856**	**209,152**

Derivative financial instruments are registered with B3 S.A. - Brasil, Bolsa, Balcão.

6 Financial assets measured at fair value in OCI

a. Securities

	2024							2023	
	Without maturity	Within 3 months	3 to 6 months	6 to 12 months	Over 12 months	Fair value/Book value	Adjusted cost	Fair value/Book value	Adjusted cost
Own portfolio									
LTN	-	-	-	42,185	69,233	111,418	111,899	361,933	361,997
Public company shares	59	-	-	-	-	59	105	85	105
Subtotal	**59**	**-**	**-**	**42,185**	**69,233**	**111,477**	**112,004**	**362,018**	**362,102**
Subject to guarantees (i)									
LTN	-	-	291,070	281,233	-	572,303	577,430	281,932	282,201
LFT	-	354,048	-	160,330	1,114,203	1,628,581	1,628,685	1,266,039	1,266,250
Subtotal	**-**	**354,048**	**291,070**	**441,563**	**1,114,203**	**2,200,884**	**2,206,115**	**1,547,971**	**1,548,451**
Total	**59**	**354,048**	**291,070**	**483,748**	**1,183,436**	**2,312,361**	**2,318,119**	**1,909,989**	**1,910,553**
(-) Expected credit loss (note 9a)	-	-	-	-	-	(494)	-	(378)	-
Grand total	**59**	**354,048**	**291,070**	**483,748**	**1,183,436**	**2,311,867**	**2,318,119**	**1,909,611**	**1,910,553**

(i) Securities pledged as a security margin for derivative and foreign exchange transactions.

b. Result

	2024	2023
Securities transactions	191,848	(13)
Total	**191,848**	**(13)**

7 Financial assets and liabilities measured at amortized cost

a. Interbank funds applied

	2024		2023
Money market instruments	**Within 3 months**	**Total**	**Total**
Own portfolio - LTN (National Treasury Bill)	4,599,908	4,599,908	4,897,719
Short position – LTN (National Treasury Bill)	1,011,574	1,011,574	886,758
Third-party portfolio - LTN (National Treasury Bill)	15,042	15,042	-
Total	**5,626,524**	**5,626,524**	**5,784,477**
(-) Expected credit loss (note 9a)	-	(106)	(31)
Grand total	**5,626,524**	**5,626,418**	**5,784,446**

b. Securities

	2024					2023	
	Within 3 months	**6 to 12 months**	**Over 12 months**	**Adjusted-for-inflation/Book cost**	**Fair value**	**Adjusted-for-inflation/Book cost**	**Fair value**
Debentures	-	-	-	-	-	74,020	74,781
Total	-	-	-	-	-	**74,020**	**74,781**

c. Loans to customers

(i) Breakdown of the portfolio by type of transaction

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Export Credit Notes (NCE)	1,250,925	-	-	1,250,925
Advances on foreign exchange contracts	132,972	-	-	132,972
(-) Expected loss (note 9a)	(735)	-	-	(735)
Total	**1,383,162**	**-**	**-**	**1,383,162**

	2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Advances on foreign exchange contracts	273,363	-	43,065	316,428
(-) Expected loss (note 9a)	(137)	-	(23,167)	(23,304)
Total	**273,226**	**-**	**19,898**	**293,124**

(ii) Composition of the portfolio by transaction term

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total(i)**
Falling due				
Within 3 months	38,113	-	-	38,113
Over 12 months	1,345,784	-	-	1,345,784
Total	**1,383,897**	**-**	**-**	**1,383,897**

(i) There were no transfers between stages in the period.

	2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total[(i)]**
Overdue for more than three months	-	-	43,065	43,065
Falling due				
Within 3 months	176,614	-	-	176,614
3 to 6 months	96,749	-	-	96,749
Total	**273,363**	**-**	**43,065**	**316,428**

(i) There were no transfers between stages in the period.

(iii) Concentration of loans to customers

	2024	2023
Main debtor	1,250,925	234,577
Percentage of total loan portfolio	90.3%	74.1%
20 largest debtors	1,383,897	316,428
Percentage of total loan portfolio	100.0%	100.0%

The amount of renegotiated credits as of December 31, 2024 amounts to R$84,659 (R$24,270 in 2023).

The Bank has financial guarantees in the amount of R$590 (R$25,608 in 2023).

During the years ended December 31, 2024 and 2023, there were no loan recoveries.

In the year ended December 31, 2024, a loan was written off as loss in the amount of R$54,867 (R$25,056 in 2023).

d. Deposits

	2024					2023
	Without maturity	**Within 3 months**	**3 to 6 months**	**6 to 12 months**	**Total**	**Total**
Demand deposits	69	-	-	-	69	81
Interbank deposits	-	-	-	-	-	211,441
Time deposits	-	495,537	217,817	223,049	936,403	4,387,121
Total	**69**	**495,537**	**217,817**	**223,049**	**936,472**	**4,598,643**

As of December 31, 2024, the average percentage of time deposit funding is 102% of the interbank deposit certificate (CDI) (102% of the interbank deposit rate in December 2023).

e. Money market funding

As of December 31, 2024, these are represented by obligations under repurchase and resale agreements amounting to R$1,010,012 (R$886,740 in 2023), maturing by March 2025 and bearing an average annual interest rate of 11.99% (10.91% per annum in 2023).

f. Borrowings

Lines of credit	**Annual interest rate**	**Maturity by**	**Balance in 2024**
Other foreign currency liabilities [(i)]	From 5.10% to 5.16%	07/26/2027	1,864,415
Export financing	From 4.52% to 4.95%	04/25/2025	131,248
Total current liabilities			**1,995,663**

(i) Credit lines to meet possible liquidity needs.

Lines of credit	**Annual interest rate**	**Maturity by**	**Balance in 2023**
Other foreign currency liabilities [(i)]	From 5.31% to 5.32%	04/01/2024	6,636,308
Export financing	From 5.63% to 5.88%	04/06/2024	268,750
Total current liabilities			**6,905,058**

(i) Credit lines to meet possible liquidity needs.

g. Onlendings

As of December 31, 2024, foreign onlendings in the amount of R$1,250,924 (R$0 in 2023) consist of foreign funding pursuant to CMN Resolution 2921, of which R$14,718 matures in April 2025 and R$1,236,206 matures in April 2029.

h. Net results from foreign currency transactions and foreign exchange gain or loss

	2024	**2023**
Foreign exchange transactions	(322,350)	(41,909)
Loans to customers	211,407	(16,101)
Borrowings and on-lendings	(1,722,243)	(42,402)
Total	**(1,833,186)**	**(100,412)**

8 Fair value of financial instruments

The table below shows financial assets and liabilities according to fair value hierarchy levels:

		Distribution by level		
	Balance as of 12/31/2024	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value through profit or loss	**478,062**	**55,081**	**416,126**	**6,855**
Securities	61,936	55,081	-	6,855
Derivative financial instruments	416,126	-	416,126	-
Financial assets measured at fair value in OCI	**2,311,867**	**2,311,867**	**-**	**-**
Securities	2,311,867	2,311,867	-	-
Other financial assets	**124,413**	**124,413**	**-**	**-**
Financial liabilities measured at fair value through profit or loss	**4,223,603**	**-**	**4,223,603**	**-**
Derivative financial instruments	4,223,603	-	4,223,603	-
Other financial liabilities	**158,014**	**158,014**	**-**	**-**

	Balance as of 12/31/2023	Distribution by level Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss	**4,498,224**	**66,080**	**4,424,576**	**7,568**
Securities	73,648	66,080	-	7,568
Derivative financial instruments	4,424,576	-	4,424,576	-
Financial assets measured at fair value in OCI	**1,909,611**	**1,909,611**	**-**	**-**
Securities	1,909,611	1,909,611	-	-
Other financial assets	**237,903**	**237,903**	**-**	**-**
Financial liabilities measured at fair value through profit or loss	**307,953**	**-**	**307,953**	**-**
Derivative financial instruments	307,953	-	307,953	-
Other financial liabilities	**42,488**	**42,488**	**-**	**-**

9 Allowance for expected losses associated with credit risk

a. Breakdown by stage and product

	2024 Stage 1	Stage 2	Stage 3	Total[(i)]
Loans operations	735	-	-	735
Securities	494	-	-	494
Repurchase and reverse repurchase agreements	106	-	-	106
Deposits in other institutions	78	-	-	78
Total	**1,413**	**-**	**-**	**1,413**

(i) There were no movements between stages during the year.

	2023 Stage 1	Stage 2	Stage 3	Total[(i)]
Loans operations	137	-	23,167	23,304
Securities	378	-	-	378
Repurchase and reverse repurchase agreements	31	-	-	31
Deposits in other institutions	20	-	-	20
Total	**566**	**-**	**23,167**	**23,733**

(i) There were no movements between stages during the year.

b. Changes in provision for expected losses associated with credit risk

	Stage 1	Stage 2	Stage 3	Total
Balances in 2023	**566**	**-**	**23,167**	**23,733**
Recognition	847	-	19,800	20,647
Write-off as loss	-	-	(42,967)	(42,967)
Balances in 2024	**1,413**	**-**	**-**	**1,413**

	Stage 1	Stage 2	Stage 3	Total
Balances in 2022	**590**	**-**	**-**	**590**
Recognition	16	-	48,223	48,239
Reversion	(40)	-	-	(40)
Write-off as loss	-	-	(25,056)	(25,056)
Balances in 2023	**566**	**-**	**23,167**	**23,733**

10 Other assets and liabilities

a. Other financial and non-financial assets

	2024	2023
Financial	**124,413**	**237,903**
Current	**70,984**	**190,006**
Adjustment of futures contracts to be settled	4,216	158,479
Registration and settlement boxes	48,755	-
Receivables from outstanding settlement accounts	18,010	31,523
Other	3	4
Non-current	**53,429**	**47,897**
Receivables from escrow deposits	53,429	47,897
Non-financial	**42,961**	**4,259**
Current	**42,862**	**4,242**
Receivables from related companies	1,831	1,751
Prepaid expenses	1,457	1,238
Taxes and contributions to offset	38,364	974
Salary advances and prepayments	1,210	279
Non-current	**99**	**17**
Prepaid expenses	83	17
Taxes and contributions to offset	16	-
Total	**167,374**	**242,162**

b. Other financial and non-financial liabilities

	2024	2023
Financial	**158,014**	**42,488**
Current	**158,014**	**42,488**
Adjustment of futures contracts to be settled	91,579	5,275
Payables for outstanding settlement accounts	66,250	7,590
Registration and settlement boxes	-	23,817
Commissions and brokerage fees payable	106	39
Payment orders in foreign currency	-	5,746
Other	79	21
Non-financial	**46,141**	**32,859**
Current	**35,919**	**21,361**
Provision for personnel expenses	29,797	18,630
Provision for payments to be made	5,223	2,072
Securities payable related companies	894	634
Sundry payables	5	25
Non-current	**10,222**	**11,498**
Provision for personnel expenses	10,222	11,498
Total	**204,155**	**75,347**

11 Property and equipment for use

a. Breakdown

	2024			
	Annual depreciation rate	**Cost value**	**Accumulated depreciation**	**Net amount**
Construction in progress	-	8,589	-	8,589
Furniture, equipment and facilities	10%	6,516	(3,389)	3,127
IT equipment	20%	16,401	(10,791)	5,610
Right-of-use	20%	33,567	(11,943)	21,624
Leasehold improvements	10%	2,339	(817)	1,522
Total		**67,412**	**(26,940)**	**40,472**

	2023			
	Annual depreciation rate	**Cost value**	**Accumulated depreciation**	**Net amount**
Construction in progress	-	6	-	6
Furniture, equipment and facilities	10%	7,092	(3,350)	3,742
IT equipment	20%	13,836	(9,386)	4,450
Right-of-use	20%	21,220	(8,751)	12,469
Leasehold improvements	10%	2,340	(583)	1,757
Total		**44,494**	**(22,070)**	**22,424**

b. Changes

	Balances as of 12/31/2023	**Additions**	**Write-off**	**Reclassification**	**Depreciation**	**Balances as of 12/31/2024**
Construction in progress	6	8,620	-	(37)	-	8,589
Furniture, equipment and facilities	3,742	46	(162)	5	(504)	3,127
IT equipment	4,450	3,039	(8)	32	(1,903)	5,610
Right-of-use	12,469	12,347	-	-	(3,192)	21,624
Leasehold improvements	1,757	-	-	-	(235)	1,522
Total	**22,424**	**24,052**	**(170)**	**-**	**(5,834)**	**40,472**

	Balances as of 12/31/2022	**Additions**	**Write-off**	**Reclassification**	**Depreciation**	**Balances as of 12/31/2023**
Construction in progress	489	1,034	(73)	(1,444)	-	6
Furniture, equipment and facilities	3,936	171	(181)	333	(517)	3,742
IT equipment	5,833	-	(4)	365	(1,744)	4,450
Right-of-use	14,387	-	-	-	(1,918)	12,469
Leasehold improvements	1,189	99	(62)	746	(215)	1,757
Total	**25,834**	**1,304**	**(320)**	**-**	**(4,394)**	**22,424**

12 Intangible assets

a. Breakdown

	2024			
	Annual amortization rate	**Cost value**	**Accumulated amortization**	**Net amount**
Other intangible assets in progress		70	-	70
Intangible assets	20%	6,275	(4,053)	2,222
Total		**6,345**	**(4,053)**	**2,292**

	2023			
	Annual amortization rate	**Cost value**	**Accumulated amortization**	**Net amount**
Other intangible assets in progress		29	-	29
Intangible assets	20%	6,179	(2,977)	3,202
Total		**6,208**	**(2,977)**	**3,231**

b. Changes

	Balances as of 12/31/2023	Additions	Write-off	Reclassification	Amortization	Balances as of 12/31/2024
Other intangible assets in progress	29	137	-	(96)	-	70
Intangible assets	3,202	-	-	96	(1,076)	2,222
Total	**3,231**	**137**	**-**	**-**	**(1,076)**	**2,292**

	Balances as of 12/31/2022	Additions	Write-off	Reclassification	Amortization	Balances as of 12/31/2023
Other intangible assets in progress	458	189	(42)	(576)	-	29
Intangible assets	3,679	-	-	576	(1,053)	3,202
Total	**4,137**	**189**	**(42)**	**-**	**(1,053)**	**3,231**

13 Legal, tax and social security contingencies and obligations

a. Contingent assets

The Bank does not have any contingent asset recognized in its balance sheet, and is not currently involved in legal proceedings that generate expected future gains.

b. Contingent liabilities

The Bank is a party to judicial and administrative proceedings incidental to its business, involving labor, tax and social security issues. The evaluation for the accrual of provisions is made according to criteria described in note 3l.

The Bank has provisions accrued for these contingent liabilities classified as probable losses in amounts considered sufficient to face possible losses. The accrued amounts are recorded as "Provisions for contingencies", in non-current liabilities.

Ongoing labor lawsuits classified as possible losses total R$212 (R$429 in 2023). Most labor lawsuits consist of lawsuits filed by former employees and outsourced personnel seeking the payment of overtime and other labor rights.

Ongoing tax proceedings are classified as possible losses in the amount of R$19,789 (R$18,772 in 2023), the most significant of which result from taxes that the Bank has been discussing in court. They basically consist of a request for offsetting of withholding income tax on financial investments in the amount of R$5,990 (R$5,814 in 2023) and a request for the annulment of the assessment of deficiency in the amount of R$9,065 (R$ 8,416 in 2023), consisting of taxes claimed by the Municipal Government of São Paulo and levied on services provided by the Bank. Sufficient court deposits for these proceedings are required to cover the tax risk.

A case arising from taxes that the Bank has been discussing in court, basically consisting of a request for offsetting of withholding income tax on financial investments, in the amount of R$5,903 (R$5,814 in 2023) and a request for annulment of the notice of deficiency in the amount of R$9,065 (R$8,416 in 2023), Consists of taxes claimed by the Municipal Government of São Paulo on services provided by the Bank. Sufficient court deposits for these proceedings are required to cover the tax risk.

c. Changes in balances

	2024				2023
Provision for contingencies	**Labor**	**Tax**	**Civil proceedings**	**Total**	**Total**
Opening Balance	677	28,411	1	29,089	27,245
Constitution	2	192	-	194	290
Update	81	1,276	-	1,357	1,554
Payment	-	-	(1)	(1)	-
Total	**760**	**29,879**	**-**	**30,639**	**29,089**

	2024			2023
Court deposits	**Labor**	**Tax**	**Total**	**Total**
Opening Balance	104	47,696	47,800	42,602
Constitution	13	3,034	3,047	2,459
Update	7	2,600	2,607	2,739
Payment	-	(25)	(25)	-
Total	**124**	**53,305**	**53,429**	**47,800**

14 Shareholders’ equity

a. Capital

The fully paid-up capital amount to R$2,825,473 (2,626,948 in 2023), consisting in 107,076 (101,010 in 2023) registered ordinary shares with no par value. Management decides on the allocation of adjusted net income each period, pursuant to article 202 of Law 6404/76.

At an Extraordinary General Meeting held on December 20, 2024, shareholders decided to increase share capital in the amount of R$198,525, paid in using shareholder receivables from the distribution of interest on equity capital.

b. Profit reserves

The legal reserve is set up at the rate of 5% of the period's profit, up to the limit established by prevailing law. The balance of the reserve established by the Company's by-laws consists of the non-distributed portion of previous and current years' profits which were transferred to subsequent years at their annual meeting.

c. Dividends and interest on equity capital

At their annual meeting, management will decide the minimum amount related to the distribution of dividends related to profit adjusted pursuant to article 202 of Brazilian Corporate Law.

In the year ended December 31, 2024, according to the minutes of the Executive Board, the following were approved for payment:

(i) Dividends in the amount of R$309,620 (R$1,000 in 2023), on October 28, 2024, according to the minutes of the Management's meeting;

(ii) Interest on equity capital in the amount of R$198,525 (R$189,125 in 2023), net of withholding income tax in the amount of R$35,034 (R$33,375 in 2023), as of December 20, 2024, according to the minutes of the extraordinary shareholders' meeting.

15 Income and social contribution taxes

a. Calculation of income tax and social contribution on th operations

	2024		2023	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Profit before taxes and after profit sharing	**386,774**	**386,774**	**407,510**	**407,510**
Interest on own capital	(233,559)	(233,559)	(222,500)	(222,500)
Temporary exclusions/(additions)	**167,923**	**167,923**	**(680,305)**	**(680,305)**
Fair value adjustment - securities and derivative financial instruments	133,322	133,322	(720,472)	(720,472)
Provision for expected losses associated with credit risk	(22,320)	(22,320)	(79,732)	(79,732)
Loans written off as loss	54,867	54,867	-	-
Other	2,054	2,054	119,899	119,899
Permanent additions/(exclusions)	**27**	**34**	**(1,235)**	**(1,228)**
Taxable profit	**321,165**	**321,172**	**(496,530)**	**(496,523)**
Total IRPJ and CSLL – current amounts before tax incentives	**(51,883)**	**(41,526)**	**(728)**	**(451)**
Tax incentives	1,565	-	18	-
Total IRPJ and CSLL - current amounts	**(50,318)**	**(41,526)**	**(710)**	**(451)**
Tax credits	(15,251)	(12,228)	134,526	107,606
Deferred tax liabilities	28,984	23,188	(179,778)	(143,828)
Total	**(36,585)**	**(30,566)**	**(45,962)**	**(36,673)**

b. Changes in deferred income tax and social contribution by type and origin

Tax credits	Balances as of 12/31/2023	Constitution	Realization/ Reversal	Balances as of 12/31/2024
Reflected on profit or loss	**506,094**	**50,091**	**(77,570)**	**478,615**
Income and social contribution tax losses	426,747	229	(40,043)	386,933
Provision for tax and labor risks	14,532	760	-	15,292
Non-deductible provisions	10,241	9,187	(5,455)	13,973
Provision for expected losses associated with credit risk	(9,712)	8,500	(28,932)	(30,144)
Loans written off as loss	46,304	24,690	-	70,994
Allowance for credit risk - debentures	181	-	(181)	-
Adjustment to fair value of securities classified as trading	19	66	-	85
Other	17,782	6,659	(2,959)	21,482
Reflected in equity	**301**	**3,061**	**(521)**	**2,841**
Fair value adjustment of TVM	301	3,061	(521)	2,841
Total	**506,395**	**53,152**	**(78,091)**	**481,456**

Deferred tax liabilities	Balances as of 12/31/2023	Constitution	Realization/ Reversal	Balances as of 12/31/2024
Reflected on profit or loss	**(762,110)**	**(71,177)**	**123,350**	**(709,937)**
Adjustment to fair value of derivative instruments	(745,177)	(62,070)	123,350	(683,897)
Adjustment for inflation of court deposits	(11,750)	(1,173)	-	(12,923)
Adjustment to fair value of repurchase and reverse repurchase agreements	(168)	(1,352)	-	(1,520)
Other	(5,015)	(6,582)	-	(11,597)
Reflected in equity	**(89)**	**-**	**5**	**(84)**
Fair value adjustment of TVM	(89)	-	5	(84)
Total	**(762,199)**	**(71,177)**	**123,355**	**(710,021)**

c. Estimated realization of tax credits on temporary differences

Deadline for realization	Temporary differences	Tax loss and negative basis	Total
1st year	3,251	35,397	38,648
2nd year	14,480	61,278	75,758
3rd year	10,551	65,815	76,366
4th year	10,053	68,502	78,555
5th year	10,148	75,848	85,996
6th-10th year	46,040	80,093	126,133
Total	**94,523**	**386,933**	**481,456**
Present Value (i)	**56,851**	**249,199**	**306,050**

(i) The discounted present value was used according to projetada.com annual CDI rate according to the Focus survey disclosed by the Central Bank of Brazil.

16 Related Parties

Transactions carried out between related parties are disclosed according to current standards. These transactions are carried out at usual market values, terms and rates in effect on the respective dates.

a. Related party transactions

Related party transactions are as follows:

	Assets / (liabilities)		Revenues/ (expenses)	
	2024	2023	2024	2023
Cash equivalents	**626**	**1,673**	**238**	**(65)**
BNS (Parent company)	626	1,673	238	(65)
Foreign exchange portfolio - receivables	**-**	**-**	**3,236**	**(3)**
BNS (Parent company)	-	-	3,236	(3)
Other assets	**103**	**226**	**(98)**	**(49)**
BNS (Parent company)	103	226	(98)	(49)
Amounts receivable/(payable) related companies / Service revenues/(expenses)	**937**	**1,116**	**18,440**	**13,826**
BNS (Parent company)	976	1,349	18,608	14,228
Scotiabank Inverlat (Mexico) (Related Party)	(39)	(302)	(51)	(265)
Scotiabank Colpatria (Colombia) (Related party)	-	69	(117)	(137)
Borrowings	**(131,248)**	**(6,905,058)**	**(1,425,167)**	**(96,925)**
BNS (Parent company)	(131,248)	(6,905,058)	(1,425,167)	(96,925)
On-lendings	**(1,250,924)**	**-**	**(286,353)**	**17,804**
BNS (Parent company)	(1,250,924)	-	(286,353)	17,804
Foreign exchange portfolio - payables	**-**	**-**	**(2,394)**	**(11)**
BNS (Parent company)	-	-	(2,394)	(11)

b. Management compensation

In order to disclose management compensation, management officers were considered the officers appointed as per the Company's bylaws. Expenses on management compensation for the year ended December 31, 2024 total R$41,035 (R$37,022 in 2023), and consist of R$37,956 (R$31,583 in 2023), which consist of salaries and charges, profit sharing and bonuses and charges, called short-term benefits, and R$3,079 (R$5,439 in 2023), which represents share-based compensation and charges.

There are no post-employment, other long-term benefits, and termination benefits.

17 Share-based payments

The share-based payment plans are valued based on the share price of BNS Ordinary Share, traded on the Toronto Stock Exchange in Canada (TSX). Fluctuations in the share price of BNS alter the value of the units, which affects the Bank's share-based payment expenses. A portion that determines the fair value of the share price also varies according to the Bank's performance. These plans are settled in cash and their expenses are recognized in profit or loss for the period as an offsetting entry to a provision in liabilities. Eligible employees are paid in the form of this variable compensation, through one of the following plans: RSU or PSU.

a. Restricted Share Unit Plan *(RSU)*

Under the RSU plan, eligible employees will receive a bonus in restricted share units at the end of three years. The final amount to be paid varies depending on the share price of the BNS. As of December 31, 2024, the amount of liabilities accrued for this plan is R$9,173 (R$7,032 in 2023) and the total number of shares is 71,712 units (77,742 in 2023), measured at the market value of R$322.17 per share (R$235.60 in 2023). The total expense recorded in the period for this plan is R$9,610 (R$3,146 in 2023).

	Balance			
	2024		2023	
RSU	**Number of shares**	**Value**	**Number of shares**	**Value**
Share price	-	322.17(i)	-	235.60(i)
Due	71,712	23,104	77,742	18,316
Provisioned	28,473	9,173	29,848	7,032
To be provisioned	43,239	13,931	47,894	11,284

	To be paid					
	Dec/2025		Dec/2026		Dec/2027	
RSU	**Number of shares**	**Value**	**Number of shares**	**Value**	**Number of shares**	**Value**
Share price	-	322.17(i)	-	322.17(i)	-	322.17(i)
Due	26,587	8,566	31,516	10,154	13,609	4,384
Provisioned	16,782	5,407	11,016	3,549	675	217
To be provisioned	9,805	3,159	20,500	6,605	12,934	4,167

(i) Amounts in Brazilian real translated using the rate of 4.16 reais per Canadian dollar.

b. Performance Share Unit Plan *(PSU)*

Under the PSU plan, eligible employees will receive a bonus at the end of three years. In addition to changes in the share price of BNS, this portion of the bonuses is subject to performance criteria (return on equity and total return to shareholders) measured over a three-year period, whereby a multiplying factor is applied. As of December 31, 2024, the amount of liabilities provided for under this plan is R$5,661 (R$4,222 in 2023) and the total number of shares is 41,138 units (32,244 in 2023), measured at the weighted market value of R$322.17 per share (R$235.60 in 2023). In the year ended December 31, 2024, there was an expense of R$3,584 (reversal of R$621 in 2023).

	Balance			
	2024		2023	
PSU	**Number of shares**	**Value**	**Number of shares**	**Value**
Share price	-	322.17(i)	-	235.60(i)
Due	41,138	13,254	32,244	7,597
Provisioned	17,573	5,661	17,919	4,222
To be provisioned	23,565	7,593	14,325	3,375

	To be paid					
	Dec/2025		Dec/2026		Dec/2027	
PSU	**Number of shares**	**Value**	**Number of shares**	**Value**	**Number of shares**	**Value**
Share price	-	322.17[i]	-	322.17[i]	-	322.17[i]
Due	10,445	3,365	17,102	5,510	13,591	4,379
Provisioned	10,445	3,365	6,712	2,162	416	134
To be provisioned	-	-	10,390	3,348	13,175	4,245

(i) Amounts in Brazilian real translated using the rate of 4.16 reais per Canadian dollar.

18 Post-employment employee benefits

The Bank and its subsidiary offer their employees a supplementary pension plan under the post-employment defined contribution plan, which ceases to be contributed upon the termination of the employee. Total personnel expenses incurred under this plan for the year ended December 31, 2024 were R$3,086 (R$1,350 in 2023).

Other post-employment defined contribution plans are considered short-term benefits, such as health care and profit sharing.

The Bank and its subsidiary do not have post-employment defined benefit plans for their employees.

19 Net interest income

	2024	2023
Interest income	**1,217,758**	**1,339,914**
Securities transactions	1,157,649	1,338,444
Loans to customers	60,109	1,470
Interest expense	**(478,433)**	**(902,278)**
Money market funding transactions	(357,455)	(847,066)
Borrowings and on-lendings	(120,978)	(55,212)
Net interest income	**739,325**	**437,636**

20 Personnel expenses

	2024	2023
Proceeds	89,792	65,438
Social charges	32,192	22,856
Benefits	9,321	7,689
Other	4,237	4,190
Total	**135,542**	**100,173**

21 Other administrative expenses

	2024	2023
Data processing	12,277	11,636
Financial system services	10,319	8,982
Rents	620	576
Specialized technical services	3,513	2,422
Third-party services	3,033	3,961
Communications	1,470	1,401
Charity contributions	1,120	2,000
Water, electricity and gas	727	699
Condominium	1,267	614
Others (i)	4,560	3,283
Total	**38,906**	**35,574**

(i) Sundry expenses consist of sundry expenses on travels, advertising, publications, among others.

22 Income from services and commissions

	2024	2023
Income from related party services	21,247	17,562
Income from commissions and brokerage fees	15,511	12,522
Income from guarantees granted	29	219
Other services income	448	12,150
Total	**37,235**	**42,453**

23 Risk Management

The Bank uses an integrated and continuous risk management framework, in accordance with current standards.

The governance model established for the Bank's integrated risk and capital management involves the structure of Strategic Committees, with the participation of several of the Bank's areas.

The Bank's risk management framework applies best-practice policies and conforms to the guidelines laid down by the regulatory agency.

Interaction between the Bank's business model and risk profile

The Bank's businesses consist of Global Banking *& Markets (GBM) and* Assets and Liability Management *(ALM) activities*. The GBM Division is customer-oriented and focuses on *cash* and derivative financial instrument solutions for corporate and institutional clients, while the ALM Division operates as a subsidiary function to support GBM activities through finance and cash management. The Brokerage Firm in turn serves institutional investors that operate in the Brazilian securities market, as well as market makers.

Risk Appetite

The *Risk Management* Department is in charge of monitoring and reporting risk appetite metrics, using information from the units in charge of managing them. Data about risk appetite metrics are reported to Top Management by the Bank's *Chief Risk Officer* (CRO) at every meeting of the ExCO Committee.

Risk appetite metrics are assessed as follows:

Green: the metric is within the risk appetite threshold and within the *guidance limits*.

Red: The metric violates the risk appetite threshold.

Guidance and risk appetite limits should be approved by the Bank's Executive Board and be in line with the other limits approved by the Head Office (The Bank of Nova Scotia - BNS).

Key risk appetite metrics: Bank's Risk Capacity (% of Core Capital), Tier 1 Capital, Basel Capital Ratio, Economic Capital, *Legal Lending Limit*, Allowance for loan losses (% allowance), Number of new transactions with IG counterparties < 77, Market Risk Limits (*VaR* and *Stress*), LCR (Liquidity Risk), Minimum cash and operating losses (operational risk).

The main risks posed by the Bank's business activities are detailed below:

Credit Risk
Credit risk is related to possible losses when one of the clients does not honor commitments entered into with the Bank and/or other counterparties.

Market Risk and IRRBB
Market risk can be defined as the potential loss from fluctuations in market prices or parameters that have an effect on market prices.

The interest rate risk of the *Banking Book* ("IRRBB") is defined as the current or prospective risk of the impact of negative changes in interest rates on capital and on the financial institution's results for the instruments classified in the banking portfolio.

Liquidity Risk
Liquidity risk arises from mismatches between tradeable assets and payable liabilities, i.e. mismatches between payments and receipts, which may affect the Bank's payment capacity considering different currencies and settlement dates applicable to its receivables and payables.

Operational risk
The operational risk framework is in charge of identifying, evaluating, monitoring and reducing operational risk in the Bank. Operational risk is defined as the risk of loss resulting from internal processes, systems, human failure, external events or outsourced services.

ESG and Climate Risk

Environmental Risk refers to the potential negative impacts due to loss or damage to the environment/biodiversity;

Climate risk refers to the possibility that events related to changes in weather patterns may negatively affect the entity's performance, negatively impacting credit, reputation, operational and legal risks. Climate risk is divided into two categories:

Physical Risks: manifest as potential financial losses due to damage to property or assets caused by increases in the frequency and severity of weather events and long-term changes in weather patterns;

Transition Risks: These are the potential for financial loss resulting from a shift to a low-carbon economy.

Social Risk refers to the potential negative impacts that may arise due to poor management of social considerations that may cause negative impacts on people or communities;

Governance risk, therefore, refers to the negative impacts that may arise due to poor and/or inefficient corporate governance controls and mechanisms.

Risk management governance

The Bank, from the point of view of its organizational structure related to risk management and internal controls, consists of the *Risk Management* (RM) Area, with the *Financial Risks* (FR) units, consisting of *Market*, *Liquidity* and *Credit Risk Management*) and *Non-Finacial Risks*, *Capital Management*, *Finance* (*Accounting, Taxation, FP&A and Product Control*), Operations, Information Technology (IT), Human Resources, Management, Legal and *Compliance* (collectively, the "Support Areas").

The RM department is responsible for risk management and reports to the local management team and independently to BNS, the Bank's controlling shareholder. Its units have the following responsibilities:

With respect to the risk management framework, the Bank has a risk management and control framework that is comprehensive, integrated and independent from the business areas. This structure aims at optimizing the risk/return ratio, focusing on an efficient monitoring and strict control over risk exposure factors, offering full support for the development of activities by the business areas.

In order to ensure good risk governance management practices and their alignment with specific regulatory requirements, the Bank has the following risk management committees:

Executive Committee (ExCo)

The purpose of the Committee is to discuss, approve and formalize significant issues related to the Bank's corporate governance and controls, providing an appropriate forum for decisions to be made in an effective and coordinated manner by all of the Bank's Executive Board. The Committee gathers at least every two months and consists of Executive Directors, the *Head* of Human Resources and the Director of *Treasury* and *Capital Markets*.

Assets and Liabilities Committee (ALCO)

ALCO is a permanent committee established by its by-laws whose purpose is to decide on the matters within its competence with respect to the management of assets and liabilities and to assist Management in fulfilling its responsibilities. Its permanent members are: the Bank's Executive Directors, the *Treasury* and *Capital Markets Director* and the *Financial Risks Senior Manager*. The ALCO will meet on a regular basis at least every two months.

Credit Committee
The Credit Committee is a non-statutory committee which is permanent and is aligned with all BNS global terms, conditions, rules, policies and procedures, as well as with all relevant Brazilian rules and legislation.

Risk Committee
The purpose of the Committee is to assist Scotiabank's Management in their duties related to risk and capital management. This committee's responsibilities should be aligned with regulations and legislation, as well as applicable internal corporate policies and standards.

This committee evaluates and discusses significant information about capital management, financial, operational, reputational, business and strategic risks. Moreover, risk appetite levels set in the RAS and the strategies for managing them are analyzed.

Audit Committee
Its function is to fulfill the duties that may be required by Banking Law, as well as the derived regulations and the guidelines of the Central Bank of Brazil and other applicable regulatory agencies. The Committee also supports the ExCo in identifying known weaknesses and risk exposures, including improving the effectiveness and efficiency of risk management, internal controls, systems and processes. The committee gathers at least quarterly and its permanent members are the Bank's CEO (*Chief Executive Officer),* CFO (*Chief Financial Officer*) and CRO (*Chief Risk Officer*).

New Products/Initiatives Committee
The NPI Committee is a permanent committee established by the Bank's by-laws whose purpose is to support the Bank's business areas in assessing in detail all the possible impacts on the Bank of the entrance of a new business or product, always in line with the strategies set forth in the Business Plan and the demands of our clients.

The committee's permanent members are the CEO, the CFO and the CRO (*chairman*). It will meet whenever new products or initiatives are demanded and, therefore, with no set frequency. The *chairman* may call special meetings when he deems it necessary.

Management Compensation Committee
The Management Compensation Committee is a permanent committee established by the Bank's by-laws and is aligned with all global terms, conditions, rules, policies and procedures of Bank of Nova Scotia (BNS), as well as all applicable Brazilian rules and legislation.

Risk Management
The Bank, in compliance with current standards and in line with the Bank's global policies, has implemented its Continuous and Integrated Risk Management framework ("Framework"), by means of clearly documented risk management policies and strategies, which establish limits and procedures to keep the Bank's risk exposure in compliance with the levels set on its Risk Appetite Statement ("RAS").

In particular, the effective procedures for timely tracking and reporting exceptions to risk management policies, limits and levels of risk appetite set in the RAS are provided for and put into practice on a daily basis by the *Risk Management* Department, a specific unit segregated from the business units and from the unit that carries out the internal audit. It is in charge of carrying out risk management activities.

The framework described above is compatible with the business model, the nature of transactions and the complexity of the Bank's products, services, activities and processes; it is proportionate to the extent and materiality of the risk exposure; it is appropriate to the Bank's risk profile and systemic importance; is able to assess the risks arising from macroeconomic conditions and the markets in which the Company operates; and adopts a prospective stance regarding risk management.

Also noteworthy, as part of the implemented framework, are the adequacy of systems, routines and procedures, including periodic risk management evaluations; clearly documented roles and responsibilities; a stress testing program; business continuity management; timely issuance of managerial reports to the Top Management; evaluation of new products and services, significant changes in existing products or services, significant changes in the Bank's processes, systems, operations and business model, *hedging* strategies and risk-taking initiatives, among other items, with respect to the proper management of risks.

Capital Management

The Bank is committed to maintaining a strong capital base to support its business risks. The Bank's continuous capital management framework, which comprises internal policies, measures and procedures related to capital management, is in line with the BNS's global policy and has been created in conformity with current standards.

The principles that govern the Bank's capital management framework aim at complying with: regulatory body regulations; Appropriate governance and oversight are in place. Capital management policies, strategies and measures that focus on the relationships between risk propensity, risk profile and capital capacity; Robust risk management; capital adequacy assessment in accordance with governance and capital policies and; Proper systems, processes and controls are in place to help with planning, forecasting, measuring, monitoring and controlling authorized limits and preparing capital reports.

The Executive Board is directly involved in the ongoing management of capital, and is also responsible for annually reviewing and approving the Bank's internal policies. In addition, the Executive Board monitors the level and adequacy of the Bank's capital through periodical reports produced and sent by the areas directly involved in capital management.

Credit Risk Management

In line with prevailing standards and the organization's risk management philosophy, the Bank has a credit risk management framework that comprises the analysis and setting of individual credit limits for its clients, as well as the analysis and monitoring of the Bank's aggregate credit risk. which considers all lines of products offered and all economic segments in which borrowers operate.

A credit risk culture is widespread in the Bank and the description of the products offered to borrowers includes the identification of credit, market and operational risks, as well as the information systems that will control them. Individual credit limits for borrowers are approved using the Bank's own techniques/methodologies and reviewed at least once a year, together with the related *ratings*, which are reviewed every six months for transactions of the same client or economic group whose amount exceeds 5% of the Bank's adjusted equity.

The Executive Board and risk control areas are systematically active in credit risk management, which involves approving individual credit limits and approving institutional policies. Moreover, they monitor the aggregate credit portfolio and evaluate the results of stress tests. These are exercises used to assess the potential impacts of adverse events on the Bank's credit portfolio.

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk:

	2024	**2023**
Financial assets measured at fair value through profit or loss	**478,062**	**4,498,224**
Securities	61,936	73,648
Derivative financial instruments	416,126	4,424,576
Financial assets measured at fair value in OCI	**2,311,867**	**1,909,612**
Securities	2,311,867	1,909,612
Financial assets measured at amortized cost	**7,009,580**	**6,151,590**
Interbank funds applied	5,626,418	5,784,446
Securities	-	74,020
Loans operations	1,383,162	293,124
Items not recognized in the balance sheet	**590**	**25,608**

The Bank's loans to clients are concentrated on clients with very low risk. The credit risk of counterparties is distributed as follows ratings disclosed by Moody's: 20% between Aa2 and A3; 27% - Baa1; and 53% between Baa3 and Ba1. The other exposures are National Treasury bonds.

Market and Liquidity Risk Management

In line with the headquarters' determinations and following the best risk management practices applied worldwide, the Bank has a comprehensive risk management and control framework, integrated and independent from business areas, which seeks to optimize the risk/return ratio by focusing on an effective monitoring and strict control over risk exposure factors. An integrated set of processes using local and global system platforms is responsible for assessing, analyzing and reporting market and liquidity risks. Risk limits are determined and approved by the local and head office C-level management and monitored in a preventive manner.

Market and liquidity risks are managed daily through the use of proprietary models and instruments such as *VaR - Value-at-Risk*, short-term liquidity measures, cash flow projections, *stress testing*, *backtesting*, interest rate, exchange rate and volatility sensitivity analysis.

Meeting the requirements of the BNS allowed the Bank to meet the requirements set by current standards with respect to the implementation of the continuous and integrated risk management framework, more specifically with respect to market and liquidity risks.

Following a conservative appetite for liquidity risk, the Bank establishes that the minimum cash held (sum of cash and highly-liquid equivalent assets) should be sufficient to cover the net outflows that the bank may suffer under a severe stress scenario within a 30-day horizon. Moreover, the daily cash flow report projects the liquidity available for the 90-day period, considering the assumptions of the base and stress scenarios. The results of the stress scenarios are used to trigger the various levels of the liquidity contingency plan. The purpose of these procedures is to use best practices and measure negative impacts on the Bank's liquidity to avoid cash shortages and difficulties in honoring maturity dates.

The table below breaks down consolidated financial liabilities according to the remaining period from the balance sheet date to the contractual maturity date.

Passive	**Within 3 months**	**From 3 to 12 months**	**Over 12 months**	**Total**
Financial liabilities measured at fair value through profit or loss	**764,539**	**1,885,727**	**1,573,337**	**4,223,603**
Derivative financial instruments	764,539	1,885,727	1,573,337	4,223,603
Financial liabilities measured at amortized cost	**1,520,362**	**572,114**	**3,100,595**	**5,193,071**
Deposits	495,606	440,866	-	936,472
Money market funding	1,010,012	-	-	1,010,012
Borrowings	-	131,248	1,864,415	1,995,663
Onlendings	14,744	-	1,236,180	1,250,924

Current market risk standards establish that transactions should be classified into trading and banking portfolios.

Trading portfolios consist of instruments, including derivatives, held for trading purposes and that meet the following conditions: are free from legal impediment to sale; and are daily measured at fair value, according to criteria set by regulations in effect.

The banking portfolio includes all transactions not classified into the trading portfolio.

This portfolio includes the Bank's commercial portfolio, such as loans, on-lendings and their financing facilities, as well as securities positions that are accounted for at amortized cost, and treasury portfolio instruments.

In order to assess the effects on profit or loss of possible scenarios, the Bank carries out a sensitivity analysis for each market risk factor considered relevant by management.

a. *Sensitivity analysis 1*

Parallel shocks are considered on the curves of the most significant risk factors, such as exposure to fixed interest rates and the coupon exchange rate. Two scenarios are considered for this simulation, in which each risk factor is increased or decreased by 100 basis points. This analysis examines the effects of possible fluctuations in market interest rates on the organization's results.

Trading portfolio

	Scenarios	
	+100 bps	**-100 bps**
Interest rates		
Exposure to fixed-rate interest rates	(78)	78
Exposure to the coupon exchange rate	684	(684)
Total	**606**	**(606)**

Trading portfolio + banking portfolio

	Scenarios	
	+100 bps	**-100 bps**
Interest rates		
Exposure to fixed-rate interest rates	(3,751)	3,751
Exposure to the coupon exchange rate	584	(584)
Total	**(3,167)**	**3,167**

b. *Sensitivity analysis 2*

Three scenarios are considered that reflect the movements in market interest curves and foreign currency exchange rates on the exposures contained in the Bank's portfolios. For each scenario, the Company always considers the negative impacts on each risk factor and disregards the effects of the correlation between these factors and the tax impacts.

Scenario (I): Parallel shock of 10 basis points (increase or decrease) in all the apexes of the interest rate curves. For foreign currencies, a 10% shock (increase or decrease) on current exchange rates.

Scenario (II): Parallel shock of 20% (increase or decrease) in all the apexes of the interest rate curves. For foreign currencies, a 20% shock (increase or decrease) on current exchange rates.

Scenario (III): Parallel shock of 30% (increase or decrease) in all the apexes of the interest rate curves. For foreign currencies, a 30% shock (increase or decrease) on current exchange rates.

It is important to highlight that scenarios (II) and (III) involve events related to strong stress situations.

Trading portfolio

	Scenarios		
Interest rates	**(I)**	**(II)**	**(III)**
Exposure to fixed-rate interest rates	(8)	(342)	(513)
Exposure to the coupon exchange rate	(68)	(783)	(1,175)
Total	**(76)**	**(1,125)**	**(1,688)**
Exchange rates			
Total exposure to exchange rates	**(672)**	**(1,343)**	**(2,015)**

Trading portfolio + banking portfolio

	Scenarios		
Interest rates	**(I)**	**(II)**	**(III)**
Exposure to fixed-rate interest rates	(375)	(11,084)	(16,626)
Exposure to the coupon exchange rate	(58)	(664)	(995)
Total	**(433)**	**(11,748)**	**(17,621)**
Exchange rates			
Total exposure to exchange rates	**(1,041)**	**(2,083)**	**(3,124)**

c. Stress Testing Program

The Bank's Stress Testing Program ("Program") provides the main items to be observed in connection with stress testing conducted in the Bank, as well as the definition of the best practices and methodologies used in the market to strengthen the usefulness of stress testing during decision-making processes by management. The Program is detailed on a specific document approved by the Bank's Executive Board which includes the stress testing activities carried out by the Bank, covering, among others, impacts on regulatory capital and mainly market, credit, liquidity and interest rate risks.

Managing Operational Risk

The Bank has an operational risk management framework in charge of identifying, evaluating, monitoring, controlling, mitigating and reporting risks. This framework is widely disseminated within the Bank. Accordingly, all employees have direct access to the tools, methodologies and reports produced by the *Risk Management Department*, which facilitates the dissemination of the risk control culture within the Bank.

The Bank's operational risk framework also includes the participation of the Executive Board, which is immediately involved in all significant risk events and actively participates in monitoring the actions aimed at mitigating and resolving these events. In addition to daily monitoring, the *Risk Management* area also reports the main operational risk events reported in the month in a report sent to the heads of areas and to the Top Management of the Bank and The Bank of Nova Scotia ("BNS").

ESG and Climate Risk Management
Social, environmental and climate risks (CSRs) are managed together with the other types of risk. They are considered during *due diligence*, credit granting and approval. Moreover, these risks form an integral part of the management of operational risks and enable the institution to integrate and coordinate efforts to identify and manage risk, which in turn improves the understanding, control and supervision of operational risks.

Risk Appetite Framework
The *Risk Appetite Framework* – RAF regulates the risk activities performed by the Bank, articulating the amount and type of risk the Bank is willing to subject itself to in order to achieve its strategic and financial objectives. Key elements of the RAF include the identification of risk-taking capacity, the RAS (*Risk Appetite Statement*), the risk appetite metrics and the description of the roles and responsibilities of those involved in the implementation and monitoring of the RAF. The RAS is detailed on a specific document approved by the Bank's Executive Board, which sets out the types and levels of risks the Bank is willing to take, considering the Bank's risk management capacity, the strategic purposes of the Bank and the regulatory environment in which the Bank operates.

Channels for the dissemination of the Bank's risk culture
The main channels for disseminating the Bank's risk culture are through the Committees of Compliance, Anti-Money Laundering and Terrorist Financing and Code of Conduct, followed by training sessions for the dissemination of policies and manuals and bulletins issued by Management.

In a partnership with its human resources department, the Bank has a training program for all employees, whereby all employees must undergo mandatory training courses on the Bank's risk appetite, information security, privacy, operational risk management, AML/CFT, cybersecurity, code of ethics and conduct, global sanctions, among others.

Scope and main characteristics of the risk measurement process
The Bank is committed to conducting its business in accordance with applicable Brazilian laws and standards issued by regulatory agencies, as well as in line with the best market practices.

The Bank ensures the maintenance and strict observance of its internal guidelines and procedures, which are duly documented through regulations and manuals (the "Policies") designed to comply with regulatory requirements, and which cover the internal control and risk management procedures followed by the Bank.

The Support Areas are jointly and/or individually responsible for supporting, maintaining and improving the internal control systems directly related to the Bank's activities, within the limits of their competence.

Policies are prepared according to the specific needs identified by the departments involved in risk management processes, the requirements of regulatory agencies and possible requirements received from the BNS.

Identifying and Assessing Risks
The Bank's risk assessment and management process consists of an integrated set of processes, using local and global system platforms, which are responsible for assessing, analyzing and reporting market, credit, liquidity, operational and capital management risks. The purpose of this framework is to ensure an appropriate understanding of the nature and magnitude of the risks related to the activities carried out by the Bank, therefore enabling the proper implementation of the strategy and the fulfillment of the Bank's objectives. In particular, risk limits are determined and approved by the local management and by the BNS, and monitored in a preventive manner.

The purpose of the procedures for identifying and measuring risks is to cover all actual and potential risks that may affect or have an impact on the Bank's activities, with the purpose of ensuring the consistency of data included in the daily and periodical reconciliation between the Business Areas and the Support Areas. Market and liquidity risks are managed daily using proprietary models and instruments such as *Value at Risk* (VaR), *Stress Test*, *backtesting*, interest rate, exchange and volatility sensitivity analysis, and projected cash flows under normal and stress scenarios, among others.

At each new operation or product, adjustments to measure new risks are discussed and established at the meetings of the Committee for the Evaluation of New Products and formalized on the NPI (New Product Implementation) document, following a thorough process of evaluation of each of the risks associated with any new initiative (NIRA).

The Support Departments are also concerned with reviewing and monitoring their processes continuously to avoid weaknesses, always aiming at managing the main risks to which the Bank is exposed, whether they are related to credit, market, liquidity, non-compliance, operational, information systems, strategy or reputation.

The Bank fully meets the requirements of the Central Bank of Brazil (BACEN) with respect to the implementation of the market, liquidity, operational and capital management risk frameworks. In addition, since July 2008, the Bank has been calculating minimum capital requirements for the various risks to which it is exposed.

Risk reporting to the Audit Committee and Management
The Risk *Management* Department is in charge of identifying, measuring, calculating and monitoring risks according to the policies and processes adopted by the Company. Another concern is the quality of the information about risks and results that is provided to the Executive Board, to regulatory agencies and to the BNS. Daily and monthly reconciliations allow possible differences between the amounts recognized in the local balance sheet and managerial information and reports. Risk limits are determined and approved by the Board and by BNS, and monitored in a preventive manner.

d. *Credit Risk*

The Bank has a credit risk management framework that comprises the analysis and setting of individual credit limits, as well as the analysis and monitoring of the Bank's aggregate credit risk.

Below are listed the main reports on credit risk management, developed periodically by the Bank:

Check credit limits for treasury products;

Calculation of the limit available for each new transaction;

Monthly report on risk exposure per client prepared by the *Credit Risk Management* Department and distributed to Management.

e. *Market Risk*

In conformity with the Bank's global policies and current rules on the matter, transactions are divided into the trading and banking portfolios.

The banking portfolio's risk is monitored by mapping interest rate mismatches and stress tests. The methodology used by the Bank to measure the interest rate risk of transactions classified into the *banking portfolio* is the Delta EVE and the Delta NII.

Below are listed the main reports and information related to market risk management periodically prepared by the *Financial Risks Department*:

Daily Foreign Exchange Exposure Report;

Daily Interest Rate Sensitivity Report (DV01);

Daily Executive Report on Risks and Limits;

Weekly Stress Scenario Testing Report;

Weekly *Backtesting Report*;

Possible reports on demand.

f. *Liquidity Risk*

The Financial Risks area *is in charge of monitoring the Bank's liquidity risk*, according to the parameters and responsibilities defined by the National Bank of Brazil.

The Bank's liquidity risk management procedures comprise current standards, as well as local and global policies.

Below are listed the main reports and information about liquidity risk periodically developed by the *Financial Risks function*:

Daily Liquidity Risk Managerial Reports;

Monthly Managerial Report on Minimum Cash;

Monthly regulatory report sent to BACEN (DRL).

g. Operational risk

In the Bank, operational risk is defined as the loss resulting from internal processes, systems, human failures, external events or outsourced services.

Exposure to potential losses is monitored by:

History of losses;

Analyzing and estimating potential losses;

Follow-up of corrective measures;

Key Risk Indicators (KRI);

Annual Assessment of Risk Controls (RCSA).

Based on these controls, managerial reports are prepared monthly for the Bank's top management and headquarters to monitor operational risks.

h. ESG and Climate Risk

Environmental Risk refers to the possibility of losses caused by events associated with the degradation of the environment, including the excessive use of natural resources

Climate risk refers to the possibility that events related to changes in weather patterns may negatively affect the entity's performance, negatively impacting credit, reputation, operational and legal risks. Climate risk is divided into two categories:

Physical Risks: refers to the possibility of losses caused by events associated with frequent and severe bad weather or long-term environmental changes, which may be related to changes in weather patterns;

Transition Risks: refers to the possibility of losses caused by events associated with the transition to a low-carbon economy, in which the emission of greenhouse gases is reduced or offset and the natural mechanisms to capture these gases are preserved;

Social Risk is the possibility of losses caused by events associated with the violation of fundamental rights and guarantees or acts harmful to the common interest.

Governance risk, therefore, refers to the negative impacts that may arise due to poor and/or inefficient corporate governance controls and mechanisms.

(i) Stress Testing Program Steps

The main stages of the Stress Testing Program will be presented throughout this item, so as to ensure that the Bank's main material risks are captured and that those involved in the process are understood.

Market Risk

The Market Risk Policy describes the main characteristics of the stress tests conducted to measure the impacts arising from losses due to severe fluctuations in risk factors in the trading portfolio, including their frequency, the variables impacted and the stress scenarios used.

Stress tests are performed by the following:

Value at Risk (VaR) e Stress Test

Stress Value at Risk (SVaR)

Value at Regulatory Risk

Structural Risk Analysis

IRRBB (Income Tax Return)

Comprehensive/Integrated Stress Testing

Liquidity Risk

Stress tests to measure the impacts on the Bank's net cash flows resulting from shocks on significant variables. Moreover, the Liquidity Contingency Plan has the main warnings, indicators and contingency actions in times of stress.

Stress tests are performed by the following:

Market *Risk* Stress Scenarios

Credit *Stress* Scenario

Market + Credit *Stress* Scenarios

Minimum cash

Reverse stress - fluctuations in US dollar rates combined with withdrawal of CDBs

Comprehensive/Integrated Stress Testing

Credit Risk

Stress tests carried out to measure the impacts of a possible worsening of the credit risk posed to the Bank's clients on expected results and capital structure.

Credit stress testing is performed in the context of comprehensive/integrated stress testing.

Basel capital ratio and operating limits

The Bank calculates the Basel operational limits according to the consolidated data of the Prudential Conglomerate ("Bank" and "Brokerage Firm"), according to prevailing standards.

As of December 31, 2024, the Conglomerate's extended Basel capital ratio was 51.65% (25.08% in December 2023). Other operational limits are also required by the regulatory agency, such as the Fixed Assets Ratio.

Basel III	**2024**	**2023**
Total capital	**3,223,084**	**3,256,187**
Risk-weighted assets (RWA)	**4,993,609**	**11,912,006**
Credit risk (RWACPAD)	1,997,032	7,667,639
Market risk (RWAMPAD)	1,891,653	3,357,076
Operational risk (RWAOPAD)	1,104,924	887,291
Additional minimum core capital required for RWA	**124,840**	**297,800**
Rban Plot	**130,941**	**112,593**
Minimum PR for RWA	**399,489**	**952,960**
Margin - without RBAN	**2,823,595**	**2,303,227**
IB - Extended Basel Capital ratio	**51.65%**	**25.08%**
Capital Conservation Buffer	**124,840**	**297,800**
Regulatory capital margin - broad	**2,692,654**	**2,190,634**

24 Other information

The fees paid to external auditors for audit and non-audit services are annually disclosed in the *Annual Report* of The Bank of Nova Scotia ("BNS").

EXECUTIVE BOARD		**ACCOUNTANT**
Paulo André Campos Bernardo	Jaques Mester	Roberto Shoji Haga
Rodrigo Almeida Sergio	Victor de Souza Rosa	CRC 1SP242224/O-6
Izabel Eliza de Oliveira Salvucci	Fabio Tirolli de Sousa	
Luciana Chi		